

EMTHANJENI MUNICIPALITY



ANNEXURE "K"

INTERIM LED AND MARKETING STRATEGY

THIS PRESENTATION CONSISTS OF 2 SEPARATE DOCUMENTS

1. CONTEXTUAL INTERPRETATION & CONCEPTUAL FRAMEWORK

Whether we like it or not – the Future will catch You!

- In these two documents, Amatenda concerns itself with the areas that Emthanjeni needs to contest in the future to stay relevant to the rules of engagement prescribed by the opportunity horizon and competition for the future. The need for the creation of the “*new breed*” of municipality. The areas “*beyond*” the traditional boundaries of local government – an environment that you need to conquer - a world outside the traditional operational world of local government - where the real battle for economic development is contested. In this we encourage and show Emthanjeni how to identify and engage your individual circumstantial uniqueness and resources (both interior and exterior) to ***design*** and ***endeavour*** to reach that future first and how to become as competitive as you can be!
- The contents, presentation methodology, principles and contextual interpretation of this strategy is unique in the sense that it contains many hitherto un-precedented concepts that had rarely been conceptualised and/or employed in the institutional environment. In this presentation we are brutally but objectively honest (why, because it serves your honest trust in our abilities & also to both parties’ mutual best interest and it will serve no cause if we merely convey only the “good news” – of which there are many pockets we have determined). Amatenda is of the conviction that the extreme pressure and expectations local government faces as it have been contained in the Constitution of the Republic of South Africa (Act No. 108 of 1996) and many legislative instruments, manifestos and mandates, compel local government to steadily shed the culture of bureaucratic institutionalism.

To substitute the latter for brave, courageous and ambitious enterprise principles.

- The sub-text and vision of Amatenda through this submission to the peoples of Emthanjeni must be interpreted as, “*what must be done in order to forge/mould an institution in the Northern Cape that resembles the core ingredients of an enterprise which un-locks, harnesses and leverages its immense potential?*”
- The methodology purported in this document, viz. how to get from your present reality to your ideal future strays in many dramatic fashions from the traditional and conventional. Although Amatenda is conversant with the broad guidelines which certain LED recognises as it is contained in strategies of this nature, we are convinced that the complexity and dynamics of the local government environment in the 21st century requires new reflections. We agree with the view as it is ably conveyed in the “National Framework for LED 2006 – 2011” that local institutionalism needs to become “*new, and fresh*”! Institutions of exceptional resourcefulness and professionalism that have the courage to employ exciting new managerial business principles on route to its destination!
- Amatenda considers LED as ***thé*** catalyst for institutional performance! LED, according to our views and experience, knits together all the other 4 key performance areas proclaimed for local government and can also be described as the camouflaged adhesive that binds them all.

- Service delivery in general terms and economic growth specifically is absolutely dependent on a fertile LED. We consider that LED's prerequisite for the relative but also appropriate holistic organisational and institutional support and performance in pursuance thereof is critical. We regard LED as the mechanism that serves institutions in various other mandatory issues to become the "ideal/complete" institution. A total re-invention (transformation) of municipal organisational culture to become dedicated to LED and therefore growth and development orientated is necessary. (Organisational performance, human resource development, skills transfer, capacity building, service delivery, public/private partnerships, resource integration, professionalism, social cohesion, greater return on investment, stakeholder satisfaction and surprise, ideal realisation, core competency building, competitive advantage, social integration, to mention a few.)
- Amantenda create in local government an appetite for originality and greatness – of pride and accomplishment! In this submission we challenge the leadership and society of Emthanjeni to become what you dream to be – **to become originals** – not cheap copies of some other!
- Investors do not invest in sinking ships – they shop around and go for the best deal and the best return on their investment.

People are only as good as they are allowed to be!

- *We forget the past and encourage institutions to un-learn the past.* That arena where the real contest for survival and rewards are won or lost is encountered in an ever more dynamic changing and competitive future. We encourage and mentor institutions to "transform (re-invent) themselves".

2. WHAT REALLY IS LED?

"LED is warm and human! It deals with human needs, hopes and dreams. Its product cannot be turned out on an assembly line".

- LED is both a destination and a journey! It is a complex, interrelated and interdependent process that cannot be achieved without dedication, commitment and determination! Contrary to general belief **LED is neither a quick-fix nor a short cut** as many local governments have come to realise. The truth is that many plans by local government that started off with enthusiasm only fall apart as the real demands, brutal competition and the tough world of and the need for a *self re-enforcing* sustainable LED were experienced.

There is no such thing as a lift to LED success – unfortunately municipalities all have to climb the stairs.

- ***LED is an incremental chunk-by-chunk exciting journey. If someone does not recognise the fundamental building blocks (we deal with that later in the 2nd part of this presentation) that systematically drive and sustain LED strategies,*** efforts will only be patchwork with no real success. Just too many municipalities have learnt this lesson.

2 General remarks will suffice in this regard.

- a) "Success is a decision not a co-incidence!"
- b) Failure can only happen with the consent of Emthanjeni's leadership and stakeholders

- o Local economic development is textured into the natural, moral, scientific and financial world of Emthanjeni. It is a system within a much larger gigantic system which is controlled by massive camouflaged un-detectable forces which influence sustainable LED's success, direction and speed dramatically. It is an intricate/complex **interrelated** system of relationships which do not operate in isolation. Local government institutions can try and be ignorant of this fact but would simply succumb to the real life!

The Domino-Effect

Everything that council or its employees do effect local economic development directly. No single municipal action is exempt from impacting on LED.

- o Amatenda contextualises LED into a new and original paradigm. Not of a "virtual world" which is considered and contemplated in offices and in Council Chambers, but of the *real brutal world!*

The World of LED

The real world of local economic development:

- Includes all the actions (and denials) that we can see and cannot see, experience and encounter in your institution's internal and external environment
- Can inspire you or destroy you
- You will find in people, resources, dreams, expectations, visions and hopes
- Must either be respected and then use it or disrespect it and lose it
- Can realise your dreams or it will punish you severely
- Can make you winners but it will also make you losers

YOU, the appointed and elected vanguards of Emthanjeni is the face of your people! If an investor or stakeholder sees you they see somebody that is the custodian of the dreams, future and expectations of the people of Emthanjeni!

"Emthanjeni local government is the support engine for the economy of Emthanjeni – but it is not the engine itself. Your institution must therefore act as stimulant, as the spark that combusts the engine (local community) into a forceful locomotive that gently, but determinately moves on its tracks (mission) to its destination (vision)."

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MARKET LEADERS

The technological and environmental revolution that we are and will always be subjected too will have a profound influence on our lifestyle and general conduct in future. It will force us to adapt, to entertain a world, competition and experiences that will be substantially different from the one that we were comfortable in. **Market leaders**, that what Amatenda is visualising for Emthanjeni, **will then be leaders because they were expecting the future. Because they were expecting the future, they restructured their resources, systems and networks timeously**

to entertain the new circumstances and demands which the future will prescribe. You will find that there will be a few familiar faces on the stage of the world celebrating their invitation to attend that celebration to honour those that have succeeded in surviving this contest. There will also be a few surprises on the scene where the market leaders in the various fields will be announced and decorated. The attendance at that celebration will be the reward, the compensation for those that did not resist change. They will be the ones that, way back, started asking some of the following questions;

- *What are we good at and according to whom are we good (ourselves)? – Only good at irrelevant things?*
- *Are we relevant to - or obsolete to competition for the future?*
- *What will the influence be like that the inevitable revolution in technology, in lifestyle and customer needs will bring about to the local economic development environment?*
- *Seeing that the future is **on us and we can do nothing to prevent it happening to escape it**, our fate must be to accept it to survive, if we still want to be around and attract some interest and attention, we will just have to become **more competitive and more attuned to the discovery and deployment of the competencies we need to entertain the emerging opportunities!***

“Life is about choices. There is a brutal reality in every second of life, ‘to use opportunities or lose it!’ Local governments are where they are because of choices. You don’t need to be big to win. Small smart people can also win. To win or not to win is a choice. The best team usually wins.”

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The Local Government Environment

The local government environment in which the leadership and peoples of Emthanjeni have been called to share their mutual destiny stands isolated in the roaring sea of competition in which some 280 + local government institutions contest a share of the opportunity horizon. In your quest to contest that space you harbour the following root “capitals” or fundamental assets/resources. **It is irresponsible to think that any local government institution can achieve growth and development on its own. Whole societies must be harnessed, motivated and engaged in this contest.**

Building Blocks AMATENDA has identified that the following are the root building blocks in Emthanjeni ©amatenda
Democratic/Human Capitals/Knowledge

Dynamic and performing human capital appears on no balance sheet of any economy – yet it is present and unmistakably intrinsically woven into the recipes of success of all achieving economies. Its impact on growth and development is captivating to say the least. Commitment in Emthanjeni stands out, we have found

- **Intellectual Capitals/Knowledge (Social Intelligence)**

The knowledge, abilities, hunger, trust, expertise, networking, experience, etc. available in Emthanjeni.

“Wealth is un-tapped potential!”

- **Cultural Capitals/Knowledge/Awareness**

Symbioses of the richness embedded in your cultural heritages

- **Environmental Capitals/Knowledge**

Clean crisp air and un-discovered richness

- **Financial Capitals/Knowledge**

The un-locked and un-synchronised assets found in potential, land, opportunities and visions & corporate governance

- **Societal Texture & Social Awareness**

The awakening power of compassion, dignity, humility, guts, identity, mettle, morale, religion and character of the people of Emthanjeni

- **Technological**

The prowess (braveness/courage) ability, competency, innovation and creativity present in the soul of the people

- **The Emthanjeni Municipality**

The ambitious, fluidity, imagination, resourcefulness, networking abilities, morality of the elected and appointed stewards of the future of Emthanjeni

In this contest Emthanjeni needs to **stand out** and **not blend-in!** To maximise what you have with what you have!

Knowledge Economy and its Role in Growth & Development

a) Generation and Engagement of Knowledge

"A knowledge economy is one in which the *generation and engagement* of knowledge play the predominant part in the creation of wealth".

b) Some principles of the "Knowledge-Economy" are that it;

- needs and capitalises on the employment and deployment of knowledge
- extracts the knowledge-base contained in resources
- encourages the sharing of knowledge
- that certain knowledge cannot be obtained through formal education and training. In the learning economy institutions, individuals, firms and countries obtain **knowledge** by innovations and creativity. **By sharing knowledge**".

Ernst & Young published a paper in 1999 stating:

"For countries in the vanguard of the world economy, the balance between **knowledge** and resources has shifted so far towards knowledge that **knowledge** has become perhaps the most important factor determining the standard of living; – *knowledge is more than tools and more than labour.*"

c) Some key factors in the "Knowledge-Economy"

- **Knowledge** is the basic form of capital. Economic growth is driven by the accumulation of knowledge.
- Together with labour and capital, knowledge has become the third factor in leading economies.
- More than 60% of USA workers are *knowledge* workers.

Employing and enhancing human capital will create wealth and prosperity.

d) The Management and Monetary principle of "Intrinsic Value"

In the 2nd part of this document we will make much more of this critical financial mechanism.

Suffice to state that the terminology "*intrinsic value*" indicates a latent/potential/underlying/locked-up value of an enterprise that, with vision, fresh managerial actions, innovations and re-invention would become a valuable trading commodity and render excellent opportunities, investment and revenue. In this case we include Emthanjeni's local government institution in this category! The "intrinsic value" of Emthanjeni is a monetary/investment/trade/potential/development – value and/or instrument that is applied as a financial guide that could depict potential growth/development/value locked up in this institution. It could also indicate what the rate of the return on one's investment in Emthanjeni could be and projects a possible increased value. It proposes a value that can be extracted/un-locked/increased to create many investment and developmental possibilities. A *competitive advantage* is one such a value, amongst others that we will indicate in the 2nd part of this presentation. The increase/re-design/re-alignment of the Emthanjeni resources which comprises a substance of the term *intrinsic value* is e.g. contained in your institution's;

- intellectual/competitive resources
- social intelligence
- institutional intelligence
- personal mastery of leadership
- core competency carriers

- product range
- managerial material
- innovation & creativity
- vision and conduct
- resilience and professionalism, etc.

Intellectual/knowledge capital is used to unlock the value (*intrinsic value*) of institutions, people, society, entrepreneurship, ventures and organisations.

Greater stimulation of the **knowledge economy** is pursued in the programs of Amatenda. Some advantages of this process in Emthanjeni will be:

- **Intellectual and Social** Capital will be increased
- **Democratic** Capital will be unlocked and deepened
- **Environmental** Capital will be unlocked
- **Innovation** capital will be unleashed
- **Human** capital (the uniqueness and potential of people) will be respected
- **Cultural and Ethnic** Diversity will be enriched

Many tools and guidelines of encouragement and support in local economic development are contained in the Constitution, legislative instruments, mandates, manifestos and policies of which Amatenda are familiar with. We however chose to only include a brief extract from the following principal documents which navigated and strengthened Amatenda's resolve contained in both parts of our submission:

1. National Framework for Local Economic Development in South Africa (2006 – 2011) Chapter 2

GUIDING PRINCIPLES

- *“Local initiative, energy, creativity, assertive leadership and skills will ultimately unlock the latent potential in local economies and will shape local spaces.*
- *In conclusion, the now dominant institutionalist perspective on economic development has greatly expanded what is considered to be relevant to the realm of economics, directing attention to such areas as*
 - *institution building,*
 - *knowledge transfer,*
 - *social interactions*
- *“The New Institutionalism breaks down the distinction between economy and society, showing how economic decision-making and action is shaped by the shared values, norms, beliefs, meanings, and rules and procedures, of the formal and informal institutions of society.*
- *A knowledge-intensive New Economy*
- *A **third** theme of concern is **institution building**. Much of the focus in development thinking since the mid-1990s – including from within mainstream institutions such as the World Bank – has been about ‘getting institutions right’.*

2. Northern Cape Provincial Growth and Development Strategy

“The Northern Cape Provincial Growth and Development Strategy (NCPGDS) was launched in 2005 and is a guide on the Developmental planning in the province. The following primary development objectives are identified by the NCPGDS:

- *Promoting the growth, diversification and transformation of the provincial economy; and*
- *Poverty reduction through social development.*
- *Developing requisite levels of human and social capital;*
- *Improving the efficiency and effectiveness of governance and other development institutions; and enhancing infrastructure for economic growth and social development.”*

3. The Pixley ka Seme District Growth & Development Strategy (2008 – 2013)

- “Municipalities to develop their IDP’s and LED Strategies
- Consolidate and improve relationships and partnerships with other sectors of societies”

4. The IDP of the Emthanjeni Municipality

- **Mission:** “To create a climate of cooperative governance with ‘meaningful’ relationships with all stakeholders, especially the members of the general public”
- **Key Performance Areas:** “The KPA which were identified by the communities were;
 - Sustainable services
 - Infrastructure
 - Local economic development
 - Social development
 - Good governance...”

5. LED Terms of Reference of the Emthanjeni Municipality

“Creating an environment in which the overall economic and social conditions of the Emthanjeni municipality can be conducive to growth and development pursued by ‘The Recommendation, Implementation and Facilitation of an Integrated LED & Marketing Strategy Process’ (2008 – 2011)”

Our Methodology

Our methodology in this objective is structured around a;

- *practical immediately implementable facilitation and mentoring process* (which includes capacity building and skills transfer programs, public participation including the *deepening of democracy*)
- *the proposed systematical re-invention of your institutional structure and culture to perform as an enterprise!*
- we proclaim that LED should be the catalyst for:
 - The installation of professional acumen
 - Re-invention of organisational structures to fulfil the service delivery and performance objectives of institutions
 - Improved service delivery
 - Eradication of poverty through increased economic growth
 - The effective management of not only whole institutions but also sub-directorates of institutions according to business principles
 - Deepened democracy
 - Energizing communities and institutions
 - Installation of business orientated principles in local government
 - Public/Private/Partnerships
 - Increased competitiveness

Amatenda’s Vision

“The Bridge between Business & Government”. The bridge between the political and the capital forces.

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Document 2

Confidential

The implementation/sharing of the concepts, ideas and IP contained in these documents may not be commissioned/discussed by Emthanjeni without the written consent of Amatenda first be had and obtained under conditions that Amatenda specifies.

Emthanjeni Interim LED & Marketing Strategy – Operational Role-Out
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Some General Conceptual references

Objective

The beginning, journey and end of the process presented in these documents has one overriding objective, namely

“THE UNLOCKING OF THE POTENTIAL OF EMTHANJENI TO ACHIEVE GROWTH & DEVELOPMENT”

“Potential” has many components. Many of these components are engrained and contained in the programmes of Amatenda which will systematically be deployed – however space does not allow us to attend too many of these components.

In the following presentation some of the relevant **fundamental** important potential unlocking concepts and growth agents that impact and direct LED are referred to.

- ✚ Amatenda looks deeper into society. We know that only by looking deeper could we really obtain insight into the texture and structure of the Emthanjeni society. The society being the ultimate beneficiaries and end objective of LED
- ✚ Also because LED is a ‘multi-layered’ process. The example of the ‘peeling of the onion’ is best describing this truth
- ✚ Also recognising the important reference mentioned earlier that by describing the ‘Domino-effect’ we install the interdependent & interrelated process of LED
- ✚ What are you prepared to invest or loose in order to reach your objective?
- ✚ Growth come from hard choices

Goals & Objective

The goal & objective of this submission is contained in the TOR issued by Emthanjeni as follows:

“Creating an environment in which the overall economic and social conditions of the Emthanjeni municipality can be conducive to growth and development pursued by ‘The Recommendation, Implementation and Facilitation of an Integrated LED & Marketing Strategy Process’ (2008 – 2011)”

In addition to the above another objective was aired by your Manager LED and articulated it as follows:

- **“LED Strategy must contain the following:**
 - **Corporate governance matters**
 - **Community participation**
 - **Developmental matters”**

We submit the following interim strategy to you confident & cognisant of the fact that:

1. There can be no limit to our visions for an enterprising Emthanjeni
2. The following appropriate quotes are real life directives;

*“the world we are living in moves so fast that if somebody says;
‘it cannot be done’,
is often interrupted by somebody that says; ‘that it has already
been done’.”*

Hubbard

“We must be the change we want to see”.

Mohandas Gandhi

General Introduction

The road to our mutual envisaged destination will be interesting, challenging and demanding. Together we will discover many surprises and many make many discoveries. We will be energised by all our achievements and will steadily see how our joint effort will bring smiles to many discouraged and with many we will find new energy and commitment. New depth of understanding and sharing and interaction. It will, with dedication and tenacity, create an enterprise with new dimensions of enabling environments and deepen democracy.

What really is meant when we refer to a Strategy?

A strategy is simply a working document that shows a way of how to realise (reach) your vision. Of what must be done to advance from your present state to your ideal state (your vision) – nothing more!

The phenomenal Jack Welch had the following to say about what a strategy should be:

“Strategy then, is simply finding the big (vision) and setting a broad direction, putting the right people behind it, SET THEM FREE- GIVE THEM OXYGEN, and then executing with an unyielding emphasis on continual improvement”.

Vision

*Vision is like a bird flying over Emthanjeni – it is high up and can see further – it can see where we cannot see – It sees **BEYOND** our vision – and it sees no fences, boundaries or hindrances*



The vision (picture) that the municipal leadership has about the future of their municipality (community), the sounds it generates, the excitement it projects, the feelings it conveys, the interaction between a vibrant happy, wealthy and performing society bound by the compassion for their united and diversified destiny, is called a vision.

The Spider web and LED!

The relevance between LED and a spider web.

- Spider webs are incredible! Spider web material is about one-tenth the diameter of a human hair, but it has incredible strength. In fact it is ten times stronger than steel strand of the same weight and possesses much greater elasticity. **Most importantly, spider silk is extremely lightweight: a strand of spider silk long enough to circle the earth would weigh less than 16 ounces (450 g.)** Spider silk is also especially ductile, able to stretch up to 40% of its length without breaking.

In the following picture a simple spider web is photographed between two wooden branches. This picture conveys much important relevance between a spider web and what LED is. The contents and convictions of Amatenda in this document which could best be described by the inclusion of this picture!



To us this picture is very important because it resembles two pillars of Emthanjeni. The one the solid stable image of the Emthanjeni municipality. The other the society of Emthanjeni. Together these two pillars anchor LED (the spider web)! On its own this spider web cannot be sustained – it needs and is dependent on these 2 pillars. One pillar is not enough! The spider web explains how thin tensile strength (extreme strong) relations can create a wonderful harmonious web of opportunity, a society in interaction with the municipal institution. Both responsible to anchor the catchment area of LED and the tensile strength of solid LED purpose as Amatenda is presenting it in this presentation!

Proviso!

In the deployment of this strategy we commend you to understand the critical importance **for 3 imperative processes to happen simultaneously!** ©Amatenda. Every one as important as the other! Each intrinsically woven into each other and the final product! If one fails or under performs it affects the end result directly. For this important journey to our joint ideals for you to be sustained and render the anticipated rewards, all 3 must be honestly and vigorously respected!

A culture where LED occupies the centre of attraction, focus and importance is un-negotiable. Where economic growth is lived, dreamt and the subject of all conversations! Where growth and development substance fill conversations - where the articulation of irrelevant matters to LED is un-wanted.

Implementation Methodology

Facilitation, mentorship, capacitation, public participation, skills transfer by Amatenda

Duration

Long term/intense on-going – Amatenda for a contract period initially of at least 8 months

Outcomes

Pixley ka Seme/Emthanjeni Integrated IDP/LED growth and Development Strategies alignment, participative stakeholder enhancement, professional enterprising institution, resource base development and integration, allocation of appropriate human resources

The Municipality	The Culture	The Strategy
<ul style="list-style-type: none"> • The passionate, relentless and fanatical preservation of the new culture of a visionary, interactive, re-invented municipal institution in which service excellence and the un-imaginable is pursued! One in which no excuses are accepted. Where past obsolete practices are replaced by energetic and dynamic proven enterprising management principles! • The extraction of as many as possible national, provincial, regional and local support mandates envisaged by these structures to improve the “quality of life for all”! 	<ul style="list-style-type: none"> • The initiatives recommended in this strategy must consistently be enriched by all sectors of the Emthanjeni society and the municipal institution! Where common values and understanding is sought and an interrelated and interdependent culture is nurtured! • The un-locking and employment of the knowledge of the Emthanjeni society • The identification and integration of every possible resource • A results-driven and not the traditional job descriptive assessment of performance contracts 	<ul style="list-style-type: none"> • Inclusive consistent straight honest objective communication* • The induction of the Kaisen (continuous improvement) principle • Locating problems and solve them resiliently • The systematic deployment of the right people in the right positions! • The encouragement and extraction of the best in employees* see later • Management aimed at “objective realisation”

**frank and fair dialogue is one of the most important requirements of effective performance. It enhances comradeship and trust. Entrenched organisational behaviours, which stands across the visions purported by governmental structures for improved service delivery, does not fully, appreciate the results of open, constructive dialogue. Mature and candid communication opens up more choices – more options. Candid communications – and allowing such a culture – extracts important knowledge and perspectives that needs to be heard and engaged in the unfolding of this sustained process.*

People are as good as they are allowed to be!

“One of the most important lessons we can learn from economic life is that a nation’s well-being, as well as its ability to compete, is conditioned by a single cultural characteristic: the level of trust in the society!”
Francis Fukuyama, *“The social virtues and the creation of prosperity.”*

The building blocks

- **Emthanjeni employs capital.** Capital is people, knowledge, experience, passion, drive, competitiveness, loyalty, intuition, morality, intelligence, maturedness, discipline as well as potential.
The potential locked up in each of these assets/resources plays a critical part in the systematic role-out of this strategy. Our proposals and mentorship programs pay particular attention to the discovering and the integration of these important building blocks.

What LED is Not!

- LED is not a quick-fix
- LED is not about the past and past practices
- LED is not about obsolescence
- LED is not about an institution’s own small world
- LED is not the sole responsibility of institutions
- LED is not about ignorance and stubbornness
- LED is not about “I” - but about “We”
- LED is not about losing

- LED is not about defending – it is about attacking
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The following picture, taken in the Northern Cape, tells an important story of economic development and LED! According to statistics provided in your “Economic Profile” there is an “eligible” workforce of 18 164 people in Emthanjeni of which 42% are un-employed. The story in the following picture conveys a life of slow but remarkable progress on route to economic activity and poverty alleviation. According to the 2009 Election Manifesto of the ANC, the ruling party is “committed to a clear and comprehensive rural development strategy” and will “continue to promote the role of inter-faith organisations in promoting cohesive, caring and sustainable communities”.

What we all can learn from “poor” people!

We meet people that never had the resources that many had had! They were deprived of those resources that made other people’s luck. AND is RSA **THAT’s** the people that more than often contribute the most in life! Those people that stood behind in the queues in life. The previously disadvantaged! Those people that REALLY know life that became the SUBSTANCE the TEXTURE in life and society! That knows answers to life’s difficult questions more than many – WHY – because they were there.



The all inclusive matter of Poverty Reduction

“In economic growth 8 major categories of problems can cause an economy to decline or stagnate. These kinds of disaster occur in many places in the world.

Governance failures & lack of innovation together amount for 25% of the reasons why economies in the world generally decline. The other 6 are;

- ✚ Poverty itself
- ✚ Physical geography
- ✚ Fiscal
- ✚ Cultural barriers
- ✚ Geopolitics
- ✚ Demographics

Over the span of 2 centuries, the innovation gap is certainly one of the most fundamental reasons why the richest and the poorest move further apart and the poorest have not had the foothold on growth. Many poor Asian countries were originally successful in raising technology, not so much through home grown innovation as through their success in attracting foreign investors.

37 % of the world’s population account for less than 1% of USA registered patents.
The top 20 countries in patenting, all high-income countries, in the world account for 98% of all patents.

Solutions for Ending Poverty

The starting point of the chain towards ending poverty is the poor themselves. They are already hard working, prepared to struggle to stay afloat and full of resourcefulness.

The end of poverty will require a network of co-operation among people who have never met and who do not necessarily trust each other. The main fundamental reason for poverty is:

- ❖ The absence or relative absence of basic human & developmental requirements.
- ❖ Extracting and employing their resourcefulness.
- ❖ In order for the poor to get their foot onto the first step of the development ladder they need to be assisted with investments in people and infrastructure.

Also facilities such as:

- Adequate educational facilities
- Mentoring, life skills and skills exposure in general (the bigger world)
- Roads, electricity, clinics, soil nutrients, dignity and health."

Implementation Methodology

The implementation of the following carefully strategised strategy challenges Emthanjeni to bravely become the 1st municipal institution that incrementally transforms itself from a bureaucratic institution to that of an enterprise in South Africa! An enterprise that becomes famous for its resonance with its community. One that courageously resembles re-action. Boasting a management and support style to make Emthanjeni truly a place of opportunity!

People in Emthanjeni must SHARE THE SAME SHADOW!

The Immediate need for Change

In 1994 a survey was conducted amongst motor vehicle manufacturing giants around the world. The question in the research was;

"How a fundamental ingredient is quality as a competitive advantage?"

80% of the managers of American car manufacturing companies said that it would be a major ingredient by the year 2000 –

82% of the Japanese car manufacturers said that it was a current competitive advantage!

What was the difference? Japanese car producers analysed the future of their businesses and did what was necessary in future – today – 16 years before the competition thought it would become necessary!"

IMMEDIATE/SHORT-TERM

Implementation Methodology

Facilitation, mentorship, capacitation, skills transfer, increased public participation and consultation by Amatenda

Duration

Long term/intense on-going/infinite – Amatenda for a contract period at least 8 months

Anticipated Outcomes

- IDP aligned
- Job preservation and creation, value chain development and integration, increased awareness, economic growth
- Business sense transfer and commonage development

- Entrepreneurial skills development encouragement, SMME inclusion

Phase 1 – Fundamental Necessities

In the important “proviso” included earlier in this submission reference was made to the impressions that need to be created by the Emthanjeni municipality to express its increased motivation and competitiveness. To exhibit to its people and the world that it embraces the contest to become really proud and efficient. That it is prepared and willing to take on any challenge that the new world can throw at them to grow and develop. To consistently test the boundaries of its resourcefulness and to invent solutions to challenges and testing times that will surface as the world develops! That the leadership will invite and deploy every internal and external resource it can identify without discrimination to anyone or any source!

For this to be mobilised we suggest and will assist in phasing in the following immediate/short-term priorities.

LED consists of a “packet” of ingredients. Some examples of products to be developed by us in harmony with Emthanjeni in a first phase will be: All intensely aligned to LED.

“Intrinsic Value”

Many economic activities, every branding exercise, every growth and development strategy will evidently have to pass the test of “Intrinsic Value”!

In the first document this concept was explained. Now in this part of the submission much more needs to be communicated about this corner stone of development & growth and institutional performance.

As referred to before, the “intrinsic value” of Emthanjeni represents a value. This “value” consists of the following components:

- **The Municipal Institution of Emthanjeni**
 - ✓ The leadership
 - ✓ The employees
 - ✓ The governmental system
 - ✓ Its management system
 - ✓ Its vision
 - ✓ Its track record
- **The Society of Emthanjeni**
 - ✓ Its resourcefulness
 - ✓ Its people (**the greatest potential un-locking mechanism on earth!**)
 - ✓ Its environment
 - ✓ Its character
- **The Environment of Emthanjeni**
 - ✓ Its assets locked up in its labour, mineral, topographical, climate, location, land, basic necessities (water, sun, rain, access, roads, educational and health facilities and awareness), social structure, youth, aspirations, character, performance, security and safety, telecommunications, IT, literacy, gutsyness, braveness, potential, resilience, etc.

Amatenda recommends the speedy Initiation of the following as a next phase:

- **“Internalise the Economy of Emthanjeni!”**
- **New Municipal Complex**
- **Workshop for Chairpersons and senior officials**
- **Initial structural adaptations to path the way**
- **Installation of a re-invented LED Organisational Structure**
- **Installation of the Job Creation & Job Preservation Desk**
- **Installation of a re-invented LED Structure**
- **“Cost-to-Company Principle”**
- **MSW Initiative**

- **Economic Possibilities of De Aar station**
- **Policy alignment to Growth & Development**
- **Acceptance of a fundamental policy adaptation of contractual appointments to the principle of ongoing un-interrupted succession of certain positions**
- **Hanover**
- **Britstown**
- **Marketing Strategy**

1.1 “Internalise the Economy of Emthanjeni!” ©Amatenda – Increasing the **TRADING DENSITY** of Emthanjeni - Make the economy of Emthanjeni more **INTIMATE – more PERSONAL**

This phase refers to a majestic economic factor. The “internalisation” of a region’s economy comprises major and intense focus and consistent attention. It addresses many fundamental economic forces and conditions. The methodology will require committed participation. The principle is one of the pillars of economies in the world and is expressedly contained in the National Framework for Local Economic Development (LED) in South Africa (2006 – 2011) What is meant when the economy of Emthanjeni needs to be “internalised”?

Consumerism and its impact on an economy!

- More than $\frac{2}{3}$ of the RSA economy consists of consumer spending
- The United States of America’s Economy is almost exclusively driven by consumer spending

The economic circle that this principle leverages can be described as follows:

- ✚ “This implies that people will have to spend more in Emthanjeni!
- ✚ To be able to spend more they will have to have money to spend.
- ✚ To have money they will need jobs
- ✚ To keep jobs and create new jobs there needs to be increased economic activity in Emthanjeni.”

To increase the economy - money, efforts, innovation needs to re-directed back towards (into) Emthanjeni.

How can this principle of internalisation be applied to the benefit of Emthanjeni? We provide 3 of many more examples:

i) Financial Institutions

The major financial institutions are represented in Emthanjeni in the form of well equipped infrastructure and located in modern buildings. Amatenda will in concert with the Emthanjeni municipality explore the application of a new principle in social awareness linked to financial institutions. This new principle will require that financial institutions explain why their internal contribution/investment in social development and investments to Emthanjeni do not equal the share of the % of revenue derived from the business being generated from local Emthanjeni people? Massive amounts of revenue are being generated inside the geographical area of Emthanjeni as result of economic activity by Emthanjenians of which much leave Emthanjeni to other foreign communities that stand to profit therefrom. ©Amatenda

ii) Exporting of Jobs

There is enormous potential in reverting the exporting of much needed jobs back to Emthanjeni. This phenomenon can best be explained when, e.g. documentation, food production, certain utensils, etc. used by major corporations source their stock from **outside** Emthanjeni – thereby depriving local job seekers the opportunity to provide such ranges of everyday products. ©Amatenda

iii) Value Chains

We have found that there are many partially misconceptions about the principle of “value chains”.

a) Definition

A value-chain describes the “end-to-end” process (links in a chain) starting from the order/demand/initiation of the “production” of the product/service right through to the “delivery” of the finished product/service. Any order/demand for a “product or service”

includes a set of processes (similar to links in a chain) that has to be completed/concluded in order for the “product/service” to be delivered to a stakeholder/client. A value-chain describes that whole “chain-of-events”/process.

- b) Symptoms of Unhealthy Value Streams
 - Narrowly defined jobs
 - Multiple hand-overs from one department to the other
 - Re-doing of work
 - No or little enabling environment
- c) Amatenda's programmes influence the value-chain economic intensification by internalising the economic activity in Emthanjeni. We will pay intense attention to the institutional value-chain as well as the external value-chain performance.

Organic Growth

Organic growth is directly related to the internalising of the economy of Emthanjeni and the growth of the area.

How can organic growth be explained?

Organic growth is a process of internal fertilisation. It occurs when growing/fertilising agents (ideas/discoveries, etc.) are produced by people in Emthanjeni by the exchange of knowledge/experience/skills/creativity/innovation of the local people (internally) and administered to an institution/society as a method of fermentation by its own people/resources under own conditions. Its effects on improved managerial practises, growth & development, trust, recognition and camaraderie, competitiveness, e.g. are astounding. The method and process of such growth conditions will be installed by Amatenda.

These facts stress the critical importance of consumers in the maintenance and growth of Emthanjeni. By intensely internalising the economy we initiate measures to keep as much as possible money inside Emthanjeni. This can be achieved by many processes. Some examples are:

- Determine why people spend money outside Emthanjeni?
- Install measures that would increase the consumer spending within Emthanjeni
- Encourage and increase local production and consumption
- Appeals to businesses to prefer the local product

There are many other initiatives we will advance and fill in – but the principle is conveyed here.

Outcomes

The outcome will benefit job creation, entrepreneurship, and increase the GDP/person of Emthanjeni

1.2 New Municipal Complex

The symbolism and message conveyed by the present logistical state and working environment of the Emthanjeni municipality leave a lot to be improved! It defies the objectives of an institution that is serious with growth and development AND is prepared to set an example of a modern, professional and enterprising institution.

The offices of the Mayor, Speaker, Municipal Manager, Director Finance and LED needs to be modernised and urgently re-designed completely. We cannot think that the Emthanjeni envisaged in this document can realise our joint objectives and impress major & serious investors under such conditions. We propose that the following process be initiated immediately.

- 1.2.1 Amatenda source funding and ground for a new modern Karoo-style stakeholder friendly municipal complex
- 1.2.2 A competent architect be identified and commissioned who must design such a complex
- 1.2.3 The Mayor, Speaker and Municipal Manager be temporary located in much more modern office complexes for the duration of the development
- 1.2.4 The office complex of the Director Finance be temporary upgraded and modernised to cater for immediate and effective operations until such time as his new offices have been completed. Pay points, etc. presently occupied and provided to be upgraded with seating facilities, waiting areas, etc. to attend to stakeholder convenience.
- 1.2.5 The Manager LED and his team be immediately temporary relocated to much more 1-stop modern offices to be sourced by Amatenda. Later in this presentation more details will be provided for this recommendation.

- 1.2.6 The restoration of the present complex occupied by the Mayor, Speaker, Tourism are housed on completion of their new offices to its past historical splendour

1.3 Workshop for Chairpersons and senior officials (8 -10 additional to be nominated)

Subject: "What really is LED?"

Duration: 2 days

Contents and description

▪ Profiles of Leadership (The "Ultimate" Member of the Executive Committee)

Members of Executive Committees are "Members of the Cabinet" in local government-serving the Mayor and the people - providing space and opportunity for the municipal managers to pursue their ideals and become the best they can be. They need to be exceptional people. They must have an insight into the institutional management system. They must motivate, lead and inspire their teams to deliver results. Their radar explores territories beyond the tomorrows. They shape and design the destinies of institutions. Their visionary leadership and determination guide and mobilize their teams and their towns and cities to heights that many dream of. Their inspirational abilities and leadership conquer un-conquered territories. Under their leadership in consultation with the Mayor they must make the impossible possible.

1.4 Initial adaptations to path the way for a culture of growth & development

Outcomes: To serve and expedite the realisation of the assignment contained in the TOR

Methodology: To increase the managerial capacity of certain champions who will be responsible to guide this strategy by a facilitation process with Amatenda

Amongst the other recommendations Amatenda considers, the following needs to be sympathetically translated and be initiated as expeditiously as possible as far as the organisational structure, new KRA and new performance assessment criteria of employees attached to the municipality and department are concerned:

- ✚ The employment and subsequent deployment of the over 200 practical ideals, administrative procedures, potential un-locking mechanisms, etc. contained in Amatenda's LED specific operational plan including its public participation process
- ✚ The acceptance of a new policy by the Emthanjeni Council to release the contractual liability of the Municipal Manager, the Manager LED and the Director Infrastructure Services and that of Manager Technical Services whose present appointments are tied to 5 year contracts to serve LED aligned realisation. Amatenda realises that this view is in contrast with present policies but will vigorously argue the reasons for this recommendation with Council which evidently will suit the objectives contained in LED specifically and would be to the benefit of Emthanjeni. A pre-condition in this regard will be that these incumbents be assessed in accordance with a new performance measuring instrument which will be tabled by Amatenda that defines the performance of these (and other positions that will be clarified later) that will be linked to "opportunities leveraged/opportunities created and realised".

The Principle of Continuity

The management principle explained above also relates to the principles of succession and continuous improvement. But according to Amatenda its relationship to LED is much more than the 2 management principles stated above. An important link in the value chain that constitutes LED is that of the ability of an incumbent to interact (socially, mentally and vocationally) with a community and potential investor! As a LED official is steadily ascending the ladder of competencies which will eventually develop into a core competency he/she will have to integrate the world of brutal competition and its tough circumstances into their world of traditional institutionalism. They will have to master that world quickly to become knowledgeable of the culture existing in

the business world. LED employees are not short term impact players in a severe battle. Pawns in a game. The game is just too big and specialised!

LED requires exceptional people! An above average person! Not every applicant can ever be sure that they will pass the test of a person that has some of many requirements needed for an LED official! LED needs people with high interpersonal skills and a specific personality. A person with exceptional leadership qualities, ingenuity, intellect, productivity and insight. With a high exposure and insight in the arena where fierce battles for survival are contested. With generous amounts of energy and proficiency in empathy, respect and professional acumen – exceptional in creating a network of influential references! Able to fine tune their senses and sensitise conflicts – that grasp essential information quickly. To conduct them with grace as it is required in an extremely competitive world. The latter necessary to edge out rivals whose aims transgress each other's. An incumbent that has been blessed with an ability of leveraging opportunities. A person that could conduct themselves with grace and professionalism. One that has exceptional communication skills and that could express themselves ably.

The above explains the need for a person with social skills and the ability to interact with the business and investment world. To respect that world, the bigger world, the world outside the comfortable security of institutionalism where the competition for the future is really battled out! Such traits of trust and sharing are not acquired speedily. It grows and is imprinted in the referential framework of the LED occupied manager steadily and over time. These conditions of trust fear for losing an investor's total investment and sometimes confidentiality that was built up over time (these hard acquired skills) cannot be handed over like a baton in a relay race!

Recommendations:

Amatenda's expertise and day-to-day exposure to LED distilled in our minds a certainty that the need for certain fundamental dramatic interventions is inevitable if our mission to conquer our mutual objectives in Emthanjeni is to be realised and to truly transform Emthanjeni into an enterprise!

Our sound scientific reasoning for the following recommendations will be conveyed on our commissioning of the following phase.

These recommendations are:

- 1.4.1 The substitution for the present promotional culture of normal succession to higher paid positions with a more equitable and responsible system. Amatenda solely purports the building of a vibrant and utterly professional Emthanjeni Municipality with this submission. For employees to be motivated and to create a career path in institutional governance that will be the reward for dedication and commitment Amatenda recommends the replacement of the present system with one that will deepen capacities of employees and one that will systematically reward the employee whose performance has served the performance of the institution.

Further details will be provided on our appointment to the following phase

- 1.4.2 The present culture of recognition for exceptional service by employees to be deepened

1.5 Installation of a Job Creation & Job Preservation Desk

Locality of position: In "Corporate, Community Development Directorate"

Accountable to in line function: Manager LED

Special new staff function: "Comments of the Job Creation and Preservation Section" to be included in every report presented to MM and Departmental Directors as well as to

all matters on Council agendas. No matter to be considered without that desk's comments. Compulsory attendance of that desk's representative on all meetings remotely associated with LED matters.

Duration: Immediate/Permanent

Implementation Methodology

Facilitation, mentorship, capacitation, skills transfer, increased public participation and consultation by Amatenda on contract basis of 6 months

KResultsA of this position: Comprise approx. 147 components details of which appear on the attached map. Amatenda will provide details in the implementation phase.

<p>KPA</p> <ul style="list-style-type: none"> • Responsibility for preservation of all present jobs in Emthanjeni • Responsible for the creation of new jobs • Keeping of employment/retrenchment information (data) on all employers and potential employers • Responsible for targets set by MM in consultation with Manager Development i.r.o. job creation/preservation initiatives 	<p>KResultsA (Few examples only of 140 +)</p> <ul style="list-style-type: none"> • Determine how many jobs are "exported" • Camouflaged reasons for leakage of jobs • Employer/Employee relationships • Skills/expertise requirements of labour sectors • Social responsibility/awareness intensity • Integration of value chain in merchandising
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1.6 Installation of a re-invented LED Structure

Outcomes: The outcomes that this process will percolate will put Emthanjeni apart from contemporary institutionalism simply because it was brave enough to test its own boundaries of creativeness and resourcefulness. LED is a professional business.

Amatenda is utterly convinced that local economic development is the sublime conscience in local institutionalism! It is up to LED to channel and consolidate the enormous energy in Emthanjeni towards wealth creation and "a better life for all!" LED represents the hopes, dreams and expectations of the peoples in Emthanjeni. LED is the first line of attack in this war against poverty alleviation and social upliftment! Therefore LED and its functionaries need to relentlessly pursue economic development!

Objective informed conceptualisation of LED signals the imperative need for an overall culture in an institution that complements LED. LED is the responsibility of the Municipal Manger and Manager LED in Emthanjeni BUT ALSO a critical responsibility of every single elected, appointed leader and official employee in Emthanjeni! LED is a team game.

Observations

The following general observations were made during various visits of Amatenda to Emthanjeni to ascertain a general institutional and societal intelligence.

- That there is a committed and loyal stakeholder base in Emthanjeni
- Amatenda did not have opportunities to meet all the important functionaries in the institution but had had sufficient interaction and had been impressed by the following:
 - The Mayor with his resolve and general awareness
 - The Municipal Manager with his decision making skills, resilience and focus
 - The Director Finance with his knowledge, academic credibility and conduct
 - The Director Infrastructure and Housing for his loyalty, dedication and work ethics
 - The Director Corporate and Community Services for her general demeanour

- The Manager LED for his EQ (inter personal skills - the latter being an critical necessity in the role-out process of Amatenda's LED proposed strategy) his energy and his ability to present himself
- The Manager Corporate Services for his maturity
- The experience and work ethics of the Manager Technical Services
- The general conduct of the personnel responsible for tourism

Smothering LED

©Amatenda. There are many definitions and theories for LED. Many more local perceptions about LED exist or are made up in individual municipalities to suit particular circumstances. It seems furthermore that many local government institutions tend to *subject* LED in their institutions to unnecessary curtailment by incorporating this very important responsibility under Directorates named "LED and Planning", and some even to Housing. If LED is the oxygen on which a whole local institution depends for their life, how come that a critical all enhancing objective is unnecessary subjected, compromised and hamstrung by Ordinances, laws and the bureaucracy that governs Town Planning? Town Planning's responsibility and that of LED is like chalk-and-cheese. LED is much more than SDF's, Town Planning Schemes, and Consent Use, rezoning, building lines, street names and the intricate bureaucratic administration that governs the latter. It is time consuming and merely saps the energy and initiatives from LED. LED cannot be caged. LED is a free thinking, dynamic and resourceful management destination, not a rigid set of can and cannot do's consisting of Schemes and Developmental issues and an intricate administration. LED must be a dynamic, pulsating, free, enriching and exciting journey. It is the very life support system of each and every municipality. If LED is subjected to a bureaucracy and complex administrative process, it will never reward genuine, growth and development focused municipalities.

LED should not be limited to these frustrations of boundaries!

LED is not something separate from the daily work of every leader and official of a municipality. All the activities of local government (as well of those of the society it is required to serve) need to nurture economic and social growth. **All** the functions of a municipality need to be contextualised to address local economic and social development.

Recommendations to Project the Image and Increase Service Delivery of Emthanjeni

- ✚ To re-constitute the offices of the Director Community and Social Services
- ✚ To create a new position in the satellite-office of the Municipal Manager for the position of Director/Manager Economic Development, Marketing and Communication and that the present incumbent in the position of Manager LED be promoted thereto.
- ✚ The Director/Manager LED be made:
 - Solely accountable to the Municipal Manager, the member of the Executive Committee (Infrastructure and Economic development), the Emthanjeni Municipality and peoples of Emthanjeni for the success and/or failures of the LED and Marketing Strategy in Emthanjeni but in the final analysis only responsible to the Municipal Manager whose wisdom and insight the incumbent must seek incessantly.
 - Solely accountable and responsible for the systematic phasing in of the implementation of the LED operational plan containing 200+ ideals and ideas referred to in this document under the scrutiny of the Municipal Manager, Member of the Executive Committee (Infrastructure and Economic development), as well as with facilitation by Amatenda
 - Jointly accountable and responsible with the Director Infrastructure Services and Director Community and Social Services for the implementation of the IDP of Emthanjeni
 - Solely responsible for the effective liaison and results orientated relationships with Ward Committees AND the implementation of 3 of the remaining operational plans to be deployed as PPP in Emthanjeni.

Together with Amatenda, the member of the Executive Committee (Infrastructure and Economic development), the Municipal Manager and the Manager LED these 4 will be taxed to re-invent policies, by-laws and incentive initiatives that will increase the overall competitiveness of Emthanjeni profoundly!

That will set Emthanjeni apart from the traditional.

- ✚ Earlier in this submission mention was made about the re-location of the office complex of the Manager LED. Amatenda envisages that this new office complex include sufficient space for a “De Aar Exhibition Center which will include also the tourism agency”. Further particulars will be forwarded.
- ✚ That the Manager LED be requested to install a new creative un-locking mechanism amongst all employees, viz. a “potential perceived opportunity ledger” @amatenda. Amatenda is of opinion that this initiative will serve to un-lock the creativity in employees. Amatenda will disclose the reasons therefore on appointment.
- ✚ The inclusion of the property-section under the Director/Manager LED
- ✚ The immediate appointment of an extremely experienced, mature and professional PA to the Director/Manager LED. Duties and responsibilities to be advanced by Amatenda
- ✚ The immediate creation of a new position of Deputy Manager LED. This recommendation stems from observations made about the accessibility and availability of the Manager LED. Amatenda will attend to the short listing of suitable candidates for appointment by the Municipal Manager. A prime responsibility attached to this position will be to assist the Director/Manager LED to truly operate LED in Emthanjeni as professionally as possible and to recruit and harmonise investments. Further disclosures will be provided on our appointment.

Immediate prime responsibilities attached to this new position will be:

- to assist the Director/Manager LED to truly operate LED in Emthanjeni as professionally and dynamically as possible,
- to recruit and harmonise investments,
- to scrutinise all media for developments that would effect/enhance service delivery in Emthanjeni
- to become a constant liaison between the stakeholders, investors, the wider world of LED and the strategic targets determined by Emthanjeni.
- to advise the Director/Manager LED on penetrating and innovative strategies and tactics that can be un-locked to make Emthanjeni a town of opportunity
- to keep the Director/Manager LED abreast with every performance inhibiting occurrence and action
- to advise the Director/Manager LED of the positive/negative developments emanating on the interior/exterior competition environment
- to inform the Director/Manager LED of the M & E of the role-out of the strategy
- another duty of this incumbent will be to optimise communication and marketing strategies and become responsible for a municipal newsletter. Tourism development will also be included in the KRA of this incumbent. Details concerning the latter will be more fully elaborated on by Amatenda.
- to re-kindle entrepreneurship.
- ✚ The re-deployment of an employee presently located in LED whose immediate function will be to unlock the asset-base contained in data in possession of the municipality as well as to exploit every possible incentive/support provided by funding agencies, national, provincial and other structures and/or grants and report thereon to the Deputy Manager LED.

The appointee will have to be skilled in proficiency and also include, as part of the employee’s KRA the duties of R&D. Amatenda is of opinion that one yardstick for assessing the performance of this incumbent will have to be:

- *To determine what % of your (latest) profits and business know-how is derived from your R&D. The world changes so quick that R&D must continuously be keeping their industries abreast with the latest developments, trends and developments on the competition environment.*

- *The yardstick should be at least 30%*

Amatenda will forward its view on the KRA of this new incumbent

- ✚ The re-deployment of the other employee, presently in LED to become solely accountable and responsible to the Director/Manager LED for initiating and driving the “green revolution in Emthanjeni” rural development, commonage management as well as SMME optimisation. Specific performance measuring targets should accompany this position. Amatenda will forward its view on the KRA of this new incumbent. An initial contract period of 3 years should be coupled to this position BUT re-appointment should be made if performance has been in accordance with the KRA
- ✚ The sharing of office space and more intimate working environment/relationships between the Manager LED and the Director Infrastructure Services
- ✚ The immediate appointment of an extremely competent PA for the Director Infrastructure Services. This recommendation emanates from the un-realistic and un-related work load of this incumbent during observations by Amatenda. Amatenda will forward its view on the KRA of this new incumbent.

LED can be described as the oxygen on which every local government institution relies! Amatenda considers LED to be the catalyst for increased performance and service excellence because LED penetrates all activities of a Council.

Beneficiaries: The whole institutional environment

Objective: To entertain the following documents and deploy the concepts contained in this roadmap as well as the modus operandi purported therein as operational plans in various director’s departments:-

- Growth & Development Strategies of Provincial and District Structures
- IDP’s of District and local Council
- Amatenda’s package of immediately practical implementable concepts contained in our attached analysis of LED.

This attached road map contains approx 243 local government/enterprise specific PRACTICAL concepts that will be phased in over time.

Duration: Long term/intense/infinite – Amatenda for a contract period at least 8 months

Methodology:

- Mentorship, facilitation by Amatenda in accordance with the attached roadmap.
- Ongoing consultation with the leadership, community and stakeholders of Emthanjeni

Anticipated Outcomes

- IDP aligned
- Job preservation and creation, value chain development and integration, increased awareness, economic growth.

1.7 “Cost-to-Company” Principle in Local Government ©Amatenda

Amatenda recommends that this principle be phased in the departments of:

- I. the Manager LED, and**
- II. the Infrastructure directorate**

Installation & Execution Champion: The Municipal Manager in constant interaction and facilitation by Amatenda

The installation of the “cost-to-company” principle (or elements thereof) would be the most courageous process in the history of local government! The benefits that will accrue to Emthanjeni and its people in lieu of traditionalism for growth and development would astonish the institutional environment! Emthanjeni would be hailed instantaneously as the institution that became famous for its courage and commitment to truly elevate its operational mode to that of unthinkable professional proportions! Details are beefed up in the LED Roadmap referred to earlier.

Amatenda’s proposition in this regard imports the essence of motivation and innovation into the heart of enterprising management in Emthanjeni and makes the latter its pilot project! It is surmised that this principle would be imported into the Pixley ka Seme District municipality soon. Its main contribution would be the unlocking of the potential of not only these 2 recommended departments but the benefits would extend to the stakeholders and potential investors of Emthanjeni!

As a marketing instrument the installation of this service delivery improvement mechanism is important BUT also the increased productivity enhancement it will generate and create a total new culture in institutionalism!

As its effects and impact propels inventories from outdated managerial principles to a culture of discovery and resourcefulness it will enrich and spread. Paradigm thinking shifts encouraged by this principle will elevate conceptual thinking in local government to evolutionary dimensions.



Not only will the style and demeanour of institutional service delivery be modernised but also will it free the spirit of the people of Emthanjeni to attain new idealism.

“Cost-to-Company” Explained

This principle requires the systematic parallel transformation from traditional budgetary financial confines, regulatory enactments and prohibitory constraints to accountable and enterprising management. More details are contained in the implementation of this principle.

1.8 MSW Initiative

Required Commission:

-  That Amatenda be commissioned by the Emthanjeni municipality to conduct a desktop study on MSW at no cost to the municipality
-  That Amatenda source funding for the project from the DBSA

1. INTRODUCTION

The global trend of ecologically based recovery of materials, in lieu of disposal by incineration, bulk treatment and burying, is gaining greater support. New technology is available that focus on the total recovery of base materials, energy and safe disposal of dangerous products. These include for the extraction of carbon black, aluminum, glass, paper, methane and other materials suitable for re-use. Medical and chemical waste can also be processed safely and on an environmentally friendly basis.

A preliminary study showed that with suitable inputs of sorted municipal waste at viable volumes, local authorities can reduce their disposal costs and gain valuable benefits in terms of ecological aspects, health and income generation. Several recovery sites run at very lucrative levels overseas.

2. BACKGROUND

Amatenda was approached by a local company that wishes to use a Swedish developed plant, utilizing the pyrolysis extraction principles of high temperature in a crucible within an oxygen-free environment. The capital outlay for a pilot plant is very high (approx. R 150 Million) and the financial breakeven points only reached after several years of income generation from high volume inputs. The pilot plant operates on MSW of 140 Tons / day input with an output of 4.37 tons of Methane, Bio-oil of 5.3 Tons and Carbon black of 6.4 Tons.

A basic desktop study identified several alternative options including locally produced plant with similar characteristics that needs to be scientifically analysed and compared. The implications of feasibility in terms of scale, volumes and output for the various sized local authorities is a fundamental issue that needs to be determined.

The approach to do a preselection sorting of glass, plastics, metal and paper at household level has different success ratings and we believe that a similar approach needs to be instituted in the municipality.

3. APPLICATION

The need exists to holistically address the Municipal Solid Waste (MSW) situation in South Africa. Several of the local municipalities are actively engaged in programmes that move MSW into regional disposal sites at great costs. All the handling, sorting, transport, site development and disposal (dumping) create massive overheads and obvious strain on operational budgets. A minimum of recycling is done in comparison to global trends. More energy efficient approaches should be considered in terms of higher efficacy with global warming implications.

Some success is achieved in generating a methane source in existing sites but the leaching and pollution of the water table and environment still needs careful monitoring.

In our view there is a need therefore to study the MSW situation in South Africa with the objective of defining the overall scale and cost implications nationally. The overview will provide a clear indication of the size and environmental impact of MSW and the growing need to find and implement more cost effective alternative solutions.

Stage 1: Status Quo.

A first phase technical assistance grant of R 350 000.00 is needed to execute the following study, (concentrating on the main criteria and aspects influencing the basic viability of plant/equipment costs in relation to waste volumes and composition).

Stage 2: Pilot.

At completion of stage one a suitable approach to the MSW situation will be clear.

Once the needs are proven and that the volumes and profile match the identified criteria for the proposed technology a suitable evaluation framework can be structured. The cost of this stage is dependant on the chosen technology and is therefore difficult to quantify.

Stage 3: Evaluation

Evaluation of the various identified options for the variable MSW scales applicable to the various municipalities can be done either at the end of stage 1, or after the suitable pilot is properly monitored and evaluated.

Global experience shows that the scale of operations is dependant on suitable volumes of MSW. It follows that viable recovery is based on a twenty-four hour constant processing and recovery.

Stage 4: Implementation

Based on the outcome of the stage 1 study and results from stage 2 and 3, a further roll-out of the appropriate models can be implemented to suit the various participating municipalities.

The anticipated results are to be based on viable modular units that can be scaled to suit the volumes and nature of the relevant MSW inputs per participating municipality.

4. SUMMARY

The estimated costs for the desk-top study is R 350 000.00. Assistance is needed from the DBSA to determine the national level of study required and to refine the criteria to be relevant to all the local authorities that may be interested to participate.

1.9 Economic possibilities of De Aar Station

Outcomes: To un-lock the economic possibilities of De Aar Station

Project Champions:

- Amatenda to commission a project champion
- Amatenda to source financing for the phasing in of the project
- Re-activating to be in phases
- Marketing- and, financial specialist to be sourced by Amatenda from local Emthanjenians

1. Long term view: Contractual appointment to re-activate the economic potential of De Aar station by Amatenda and that funding for this project is sourced by Amatenda

Vehicle to be considered:

Get the involvement of the newly established Passenger Rail Agency (PRASA). With an estimated budget of R25 billion, the development of small country towns should be one of their priorities

1.1. Present day situation

1.1.1. The following trains use the station:

- Shosholozza Mail (Trans Karoo)"Shosholozza" meaning to travel far on a passenger train
- Orange express
- Blue Train
- Rovos Rail

1.1.2. These trains frequent the station either in a daily basis or less. Also the trains run between Johannesburg and Cape Town or Johannesburg and Durban, The trains deliver basically two types of services. A Premier Class (1st class) and a Economic Class

1.1.3 The station lies on the junction to Namibia. No passenger service however is provided.

1.2. Train drivers and locomotives are changed here.

1.3. Passenger numbers are approximately 3000 per month

1.4. The station buildings have been vandalized.

1.5. No cafes or shops are being operated on the station.

1.6. The net book value of the assets of the station is R1.24 billion

1.7. The only services supplied on the station are a ticket office (for the sales of train tickets) and a security office.

2. Short term challenges

2.1 De Aar station consists of a variety of buildings that can be used for various types of economic activities. For instance a part of the station can be developed into an arts and crafts centre, and/or a centre for small businesses that produces products that are based on local culture and expertise

2.2 To put the project on a sound footing it is proposed that a project team be established, consisting of a champion, marketing- and, financial specialist to determine:

- 2.2.1- Through market research establishes the possible usage of the various types of buildings. For example:
- Possible entrepreneurs who might be interested in hiring facilities in the station
 - What are the preferences of the above entrepreneurs?
 - The duration of their activities.
 - What is the profile of the clients of the above mentioned entrepreneurs, etc?
- 2.2.2 A detailed costing study to establish the financial impact to restore the buildings, so that interested clients can occupy the premises
- 2.2.3 The owner of the assets (buildings, rails etc) is Transnet. The cooperation of Transnet is imperative to finalise any proposed project. (Amatenda has some leeway that could be exploited)
3. Spin offs as the result of the above project will have a very positive impact on the economy of De Aar and its surrounding communities. To name a few:
- The repair/upgrading of the station will result in the employment of general workers, electricians and other types of artisans
 - The provision of building materials to this will boost the local businesses
 - The increase in the employment will positively affect the general economy of the town. For instance the demand for clothing and shoes will benefit directly from the higher employment.
4. The bigger economic benefits how ever lie in the longer term.
5. The small businesses that will be established as the result of the project will ensure long term employment for locals.
6. Specific projects to enable locals to be economic active, which is hinged on to main project, will further lend impetus to the drive to increase the quality of life of the inhabitants of De Aar.

Hanover

Amatenda has paid particular circumstantial attention to Hanover. In addition we have circulated sufficient questionnaires to identified role-players in this unique town. Amatenda's observations became extremely positive about the reversing of the declined state of economic activity. A brief resume of some of our suggested strategies are:

- Amatenda will source a strategically located area and funding for the establishment of a regional tourism promotion building complex. Not only will this benefit tourism activities to Hanover but will it also market the whole region. Amatenda has specific idealistic ideas for this development.
- The internalisation of the economy of Hanover will be facilitated by Amatenda. Thereby saving stakeholders hard earned currency that will as a result improve their living standards
- Amatenda will facilitate the installation of an interactive public participation action plan that will as consequence increase social awareness.
- Amatenda will conduct an audit of institutional land in Hanover and recommend certain initiatives therewith that will re- activate economic activity
- Commonage enhancement will be facilitated by Amatenda in joint action with the Director/Manager LED's department.
- The fact that there exist only the limited imaginable banking facilities is a disgrace to the people of Hanover. Urgent attention will be paid by Amatenda to this unsatisfactory state of affairs.

Further details regarding our recommendations will follow our appointment for the implementation of our suggested strategy.

Britstown

A similar socio-economic survey was conducted in Britstown by Amatenda. Similar conclusions were drawn as were referred to in the case of Hanover.

According to the municipality's "Situation Analysis" a major development is envisaged in Britstown. Amatenda wish to entertain the attention of the municipality concerning this anticipated development and that the advantages as well as the dis-advantages of such a step be discussed.

Amatenda's Referential Framework for Emthanjeni's Integrated Marketing Strategy

©Amatenda 06/09

As your TOR commission advises our interim strategy need to include our suggestions for Emthanjeni's Marketing strategy. We include our views in this regard as follows:

Definition

The real and practical environment in which local governance needs to perform suggests a *diverse, integrated but also dedicated* marketing approach. In this context a municipal marketing strategy differs quite substantially from the environment private enterprise faces. Local governance is protected on the one hand by various legal instruments, is empowered to raise taxes and fix levies and is allowed to attend to its goals in a rather exclusive way without real interference from the proverbial shareholders. Until lately, local government went unchallenged about time frames and the relative performance of its marketing strategy. Mandatory but also intensely voiced expectations, policy directives and legal requirements expedited the obligation of municipalities to realise the identified key performance areas more effectively and expeditiously. Marketing strategies have now been hauled into the assessment arena where it is expected for a whole municipal institution to act in accordance with its directives but also to pursue the goals and expectations detailed in their Integrated Development Plans and other strategic documents. The deployment of associated action plans, of which a marketing plan is obvious to conquer sometimes-evasive opportunities, becomes relevant.

"A municipal marketing plan and strategy needs to connect to and grab the imagination of its society. It must inspire a society with excitement, loyalty, energy and proudness".

©amatenda

Therefore any marketing plan needs to reflect the ambitions of a particular society and inform the world about aspects like the maintenance of its asset base, certain exclusive and unique aspects of a town and the invasion plans of future areas that a municipal society wishes to integrate in its expansion plan. Innovation, creativity and a dose of geniusness are now needed. Marketing is a business function of a municipality that identifies stakeholder needs and wants, determines what its strategy must be and sets out and designs action plans to service its obligations. A municipal marketing plan also determines the future road map of that institution.

Marketing in the local governance arena then could be defined as;

1. *"a totally accepted, and communicated program and strategy that recognises and integrates its developmental and support systems consisting of its human and capital assets as well as its unique (topography, geographical, environmental, cultural and historic heritage) resources,*
2. *hinge them onto business principles and encouraging legislative instruments, complemented by political policy directives and enriched with marketing theories in an effort ,*
 - *to realise that particular institution's potential, vision and goals, with an obligation and belief,*
 - *that it must;*
 - *not only realise the needs and expectations of the community, but exceed those expectations,*
 - *inherently create an energizing environment and enrich itself to stay competitive,*
 - *listen intently to 'the voice of the customer and competitors', and to*
 - *incessantly assesses, refresh and navigate that plan according to the needs of a community."*

- *have the responsibility to communicate and prove the service, promise, goal, uniqueness to the stakeholders and the target market” ©amatenda*

The “Experience” as a Marketing Plan Assessment Tool

Value Chains as an integral part of any Marketing strategy!

The effects and outcomes a municipal marketing plan seeks and needs to guarantee, are contained in the *experiences* each individual stakeholder and investor has had once she/he has been exposed to that product (*service*) that is claimed in an institution’s marketing strategy. That “experience” is something personal and unique. The exposure to the product guarantees an experience that touches some or all of the five senses of people. Also that that “experience” is *experienced* in a way that it creates pleasure, that it will create enjoyment, satisfaction and amusement as well as value for money. The ultimate goal of a marketing strategy is aimed at the stakeholder and potential investor who is required to take ownership of the product and who will be loyal. A sense of belonging must be created. But importantly, municipalities are service-orientated units. The competition zone and goal posts therefore have been determined.

A Marketing Plan must be able to be Customised

To sustain competitiveness, a marketing plan must be flexible.

- Flexible to allow it to adapt to strategic changes and flexible enough to be customised to attack new opportunities.
- A marketing plan must include strategies that will empower employees to creatively invent incentives to compete with the intensely competitive world *beyond a municipal world*.
- The road map that that municipality has distilled as its marketing plan must also be regarded as a key performance area.
- Except for distilling its preferential map that that municipality thinks it can confidently compete for a slice of the opportunity horizon, such a marketing plan also conveys that particular municipality’s competencies.

The objectives that that marketing plan pursues are extremely sensitive to investments that stakeholders and customers have made in the *product* to which that plan’s mission is attached. Any organisation, town, city or business must, without exception, accept the credibility of its marketing strategy

Amatenda will in more detail our suggestions for Emthanjeni’s Marketing Strategy during the following phase.

OoOoOoOoOoOoO

EMTHANJENI MUNICIPALITY



ANNEXURE "L"

MUNICIPAL TURN AROUND STRATEGY 2010



Emthanjeni Municipality: Municipal Turn-Around Strategy: pre-2011 priority areas

No.	Priority Turn Around Focal Area	March 2010 (Current Situation/ Baseline)	Target for December 2010 (Changed Situation)	Municipal Action	Unblocking Action Needed from other Spheres and Agencies (e.g. intervention or technical support)	Human Resource allocated	Budget	
							Allocated	Projected
1.	Basic Service Delivery							
1.1	Access to water, management and maintenance	Britstown and De Aar is currently experiencing a water shortage: Extension of Britstown Bulk Water Supply. (Drilling of new bore holes).	5 production bore holes to be in place by 30 April 2010.	Consultant will oversee the process and the municipality will monitor.	DWA Should liaise with the municipality About the drilling of bore holes.	DIHS	R 14,0 mil	R 10,0 mil
		All residents has access to water						
		Replacement of pipes in De Aar 20km of steel pipes.						

No.	Priority Turn Around Focal Area	March 2010 (Current Situation/ Baseline)	Target for December 2010 (Changed Situation)	Municipal Action	Unblocking Action Needed from other Spheres and Agencies (e.g. intervention or technical support)	Human Resource allocated	Budget	
							Allocated	Projected
		Ageing Infrastructure and poor water filtration mechanism.	To develop an integrated plan for the replacement of the ageing infrastructure	To facilitate the development of the plan	To liaise with Water affairs and MIG. (Explore other sources of funding DBSA)	DIHS	0	R 8 00 000
1.2	Access to sanitation, management and maintenance	Britstown upgrading of dry sanitation(532 UDS Toilets)	(Technical Report developed)	Develop the plan	To engage with DWA	DIHS	0	0
		Hanover upgrading of dry sanitation(200 Urine Diversion System Toilets) De Aar Sewer Works must be upgraded	(Technical Report developed)	Develop the plan Business Plan submitted to MIG	To engage with DWA MIG National approval of Business Plan	DIHS DIHS	0 0	0 0

No.	Priority Turn Around Focal Area	March 2010 (Current Situation/ Baseline)	Target for December 2010 (Changed Situation)	Municipal Action	Unblocking Action Needed from other Spheres and Agencies (e.g. intervention or technical support)	Human Resource allocated	Budget	
							Allocated	Projected
1.3	Access to electricity, management and maintenance	Electricity to be installed in newly built houses:	100% completed end june	Interact with ESKOM. Tender process.	ESKOM	DIHS	0	ESKOM
		No Electricity Master Plan in place	Develop service Masterplan	Facilitate the process to appoint the consultant to draw up the masterplans	To involve Dept. of Energy	DIHS	0	R 300 000
		No service level agreement with Eskom	To have a service agreement in place	To draft the agreement	Eskom, DME, District Municipality, COGSHTA	MM	0	0
1.4	Refuse removal and solid waste							

No.	Priority Turn Around Focal Area	March 2010 (Current Situation/ Baseline)	Target for December 2010 (Changed Situation)	Municipal Action	Unblocking Action Needed from other Spheres and Agencies (e.g. intervention or technical support)	Human Resource allocated	Budget	
							Allocated	Projected
	disposal							
1.5	Roads and Stormwater	At present 131 km (65%) of all streets are gravel Paving/tarry of gravel roads	2 km	Execute the plan in tarring the roads		DIHS	R 3,0 mil	R 3,0 mil
		Regravel of existing gravel roads.	5 km	Execute the plan in gravelling the roads		Technical Manager	R 500 000	R 500 000
		Upgrading and seal of existing tarr roads.	1,5 km	Execute the plan in resealing the roads		Technical Manager	R 600 000	R 600 000

No.	Priority Turn Around Focal Area	March 2010 (Current Situation/ Baseline)	Target for December 2010 (Changed Situation)	Municipal Action	Unblocking Action Needed from other Spheres and Agencies (e.g. intervention or technical support)	Human Resource allocated	Budget	
							Allocated	Projected
		Stormwater problems in all 3 towns, De Aar stormwater masterplan finalized	De Aar Stormwater master plan: Develop Business plan	Develop the plan	MIG, Banking Association of South Africa	DIHS	R 50 000	R 50 000
		No Integrated development plan exist for the municipality	Expression of Interest advertised by dec 2010	Advertisement	COGTA (Generic Template)	DIHS	0	0
1.6	Housing	Current housing backlog – 3 041 Britstown – 650 Hanover- 598 De Aar- 1793	Business plans for funding- RDP Houses Update housing plan to accommodate higher income rental housing	Draft Business plan Update housing plan	Human Settlement (Funding National Treasury)	Manager: Housing		R 400 000 R 120 000
2.	Public Participation							
2.1	Functionality of Ward	The Municipality	Give training to committee				R 30 000	

No.	Priority Turn Around Focal Area	March 2010 (Current Situation/ Baseline)	Target for December 2010 (Changed Situation)	Municipal Action	Unblocking Action Needed from other Spheres and Agencies (e.g. intervention or technical support)	Human Resource allocated	Budget	
							Allocated	Projected
	Committees	consists of seven (7) wards of which hand launched Ward Committee which are jointly working together the Ward councilors. Not functioning properly	members on : Specific roles and responsibilities, Communication channel, Office and Administrative skills, Training on applicable acts, compiling ward profiles					
2.2	Broader public participation policies and plans	Council meets the people 4 times a year. Ward Committee meetings 12 times a year. Council meetings 4 times a year. A Program distributed to					R 105 000	

No.	Priority Turn Around Focal Area	March 2010 (Current Situation/ Baseline)	Target for December 2010 (Changed Situation)	Municipal Action	Unblocking Action Needed from other Spheres and Agencies (e.g. intervention or technical support)	Human Resource allocated	Budget	
							Allocated	Projected
		<p>municipalities to inform everyone about the meetings.</p> <p>No Public participation policy.</p>	To Develop finalized and adopt the policy	Draft the policy		Director Cooperate Services, Municipal Manager		
2.3	Public Communication systems	<p>Ads in newspaper</p> <p>Flyers</p> <p>Notices in accounts</p> <p>Loud hailer</p> <p>Websites</p> <p>Through Ward Committees and Ward Councilors</p> <p>Local Radio Station</p>					R 115 000	

No.	Priority Turn Around Focal Area	March 2010 (Current Situation/ Baseline)	Target for December 2010 (Changed Situation)	Municipal Action	Unblocking Action Needed from other Spheres and Agencies (e.g. intervention or technical support)	Human Resource allocated	Budget	
							Allocated	Projected
2.4	Complaints management systems	Complaints register Suggestion Box	To develop a generic template and be adopted by council. To Develop guidelines by which complains are dealt with. Review the customer care policy.	To Develop the template Develop the guidelines To review the policy	.	Director Cooperative Services Director Cooperative Services		
2.5	Front Desk Interface	Customer care policy	Review the policy			Director Cooperative Services		
2.6	Appointment of CDWs vs. number of wards	We currently of seven (7) wards of which two (2) CDW's must be allocated per ward. We currently have two (2) vacancies for Ward 1 & 7.			COGSTA to facilitate debate regarding appointment and remuneration of CDW's		None	

No.	Priority Turn Around Focal Area	March 2010 (Current Situation/ Baseline)	Target for December 2010 (Changed Situation)	Municipal Action	Unblocking Action Needed from other Spheres and Agencies (e.g. intervention or technical support)	Human Resource allocated	Budget	
							Allocated	Projected
3.	Governance							
3.1	Political Management and Oversight							
3.1.1	Stability of Councils							
3.1.2	Delegation of functions between political and administration	Delegation must be reviewed						
3.1.3	Training of Councillors	Training was attended by Councillors; ELMDP-5 Finance Management-14 Computer Literacy-13						

No.	Priority Turn Around Focal Area	March 2010 (Current Situation/ Baseline)	Target for December 2010 (Changed Situation)	Municipal Action	Unblocking Action Needed from other Spheres and Agencies (e.g. intervention or technical support)	Human Resource allocated	Budget	
							Allocated	Projected
3.1.4	Oversight report for the 2008/09 FY							
3.1.5	Feedback to communities							
3.2	Administration							
3.2.1	Recruitment, Selection and Suspension of employees	3 Suspensions: Creditors clerk (2 & half months), Motor registration clerk (3 Weeks) and General worker (2 weeks). No Recruitment and Selection Policy.	Set of Human Resources Policies BE Adopted	Facilitate process		Human Resources		
3.2.2	Vacancies (Top 4- MM, CFO, Planner, Engineer)	MM : Filled. CFO: Filled Dir Corp: Filled					None	None

No.	Priority Turn Around Focal Area	March 2010 (Current Situation/ Baseline)	Target for December 2010 (Changed Situation)	Municipal Action	Unblocking Action Needed from other Spheres and Agencies (e.g. intervention or technical support)	Human Resource allocated	Budget	
							Allocated	Projected
		Dir Infra: Filled (Section 57 Appointees)						
3.2.3	Vacancies in other levels	Manager Electro technical Services Electrician Tourism Officer Supply Chain Manager Network superintended (Electrical)	To have these posts filled before the end of this financial year	Re advertisements in National Newspapers To have an aggressive recruitment action		Director Cooperative Services		
3.2.4	Top 4 appointed with signed Performance Agreements	Yes Visser; Manuel; Taljaard; Siwa	To have a 4 th Directorate in Place that will deal with Development					
3.2.5	IDP adopted by Council	In Progress	5 year review process	Review the 5 year document	Support from departments sector involved	LED unit service provider	R 40 000	

No.	Priority Turn Around Focal Area	March 2010 (Current Situation/ Baseline)	Target for December 2010 (Changed Situation)	Municipal Action	Unblocking Action Needed from other Spheres and Agencies (e.g. intervention or technical support)	Human Resource allocated	Budget	
							Allocated	Projected
3.2.6	SDBIP adopted by Council	Yes signed by Mayor						
3.2.7	Organisational Performance Management System	PMS Frame work (Section 57 employees) has adopted by Council.						
3.2.8	Section 46 report for 2008/09 adopted by Council	Yes						
3.2.9	Midyear assessment report for 2009/10 adopted by Council	Yes						
3.2.10	Performance Audit Committee (PAC) appointed	Yes in 2009						
3.2.11	PAC report presented to Council	Yes after the last PAC session they did submit a report.						

No.	Priority Turn Around Focal Area	March 2010 (Current Situation/ Baseline)	Target for December 2010 (Changed Situation)	Municipal Action	Unblocking Action Needed from other Spheres and Agencies (e.g. intervention or technical support)	Human Resource allocated	Budget	
							Allocated	Projected
3.2.12	Skills Audit conducted for all employees	Skills Audit not done	Skills Audit be conducted		COGTA, COGHSTA and LGSETA			
3.2.13	Skills development for employees	Skills Development policy in place Specific training has taken place						
3.3	Labour Relations							
3.3.1	LLF established (equity in representation)	Yes (Equity in gender not yet achieved)					0	0
3.3.2	Functionality of LLF	Yes (But the understanding of roles and responsibilities of members are questionable)	To workshop the roles and responsibilities of members	To facilitate the workshop	SALGBC	DCCS	0	0
4.	Financial Management							

No.	Priority Turn Around Focal Area	March 2010 (Current Situation/ Baseline)	Target for December 2010 (Changed Situation)	Municipal Action	Unblocking Action Needed from other Spheres and Agencies (e.g. intervention or technical support)	Human Resource allocated	Budget	
							Allocated	Projected
4.1	Revenue enhancement & Debtors management	Debt collection in place Credit control policy in place Lack of capacity in unit 12000 accounts send out, 60% are paid	To facilitate the process of appointing a service provider	To facilitate the process of debt collection		CFO	R 0	R300,000
4.2	Debtors management	Debt collection policy in place R42000 000 written off provision made for R12000 000					CFO	R0
4.3	Cash Flow Management	Cash Management Plan 3 Departments , Each make requisition and all Requisitions					R 0	R 0

No.	Priority Turn Around Focal Area	March 2010 (Current Situation/ Baseline)	Target for December 2010 (Changed Situation)	Municipal Action	Unblocking Action Needed from other Spheres and Agencies (e.g. intervention or technical support)	Human Resource allocated	Budget	
							Allocated	Projected
		<p>go to the CFO</p> <p>The order is approved by CFO</p> <p>Invoices are received</p> <p>Not all invoices are paid within 30 days</p>	Put Action and systems in place to ensure that all invoices are paid	Review the internal Controls and systems that are in place		CFO		
4.4	Repairs and Maintenance Provision	Asset Register in process of GRAP conversion	Have the repairs and maintenance costed in the GRAP conversion process	Facilitate the process		CFO	R 0	R 0
4.5	Capital Expenditure	<p>Grants</p> <p>Internal Revenue</p> <p>Loans (DBSA)</p>						

No.	Priority Turn Around Focal Area	March 2010 (Current Situation/ Baseline)	Target for December 2010 (Changed Situation)	Municipal Action	Unblocking Action Needed from other Spheres and Agencies (e.g. intervention or technical support)	Human Resource allocated	Budget	
							Allocated	Projected
		Wage Bill (32%)						
4.6	Clean Audit	Disclaimer: Asset register, Debt management, going concern, internal control environment.	Asset register compliant		Consistent audit standard from auditor General	CFO	R 0	R 0
4.7	Submission of Annual Financial Statements	Yes						
4.8	MIG Expenditure	Under Spending Service level agreement in place with DM	Spend 100% of funding by 30 June 2010 Review service level agreement with DM	Enhance spending patterns Review the agreement		Director Infrastructure		
4.9	Asset Management	Asset Management not compliant						
4.10	Credibility and Transparency of Supply Chain Management	Policy in Place Committees in place						

No.	Priority Turn Around Focal Area	March 2010 (Current Situation/ Baseline)	Target for December 2010 (Changed Situation)	Municipal Action	Unblocking Action Needed from other Spheres and Agencies (e.g. intervention or technical support)	Human Resource allocated	Budget	
							Allocated	Projected
		Process is transparent and credible						
4.11	Capacitation of Audit Committee Members	Audit committee members not fully capacitated	Workshop roles and responsibilities with committee members		Provincial Treasury COGSHTA SALGA DM Office of Auditor General	MM & CFO	R 10 000	R 10 000
5.	Local Economic Development							
5.1	LED Strategy adopted by Council	Strategy not been adopted	Strategy finalized and adopted by council	Facilitate the process		LED Manager	R 40 000	
5.2	LED Plan aligned to the PGDS and adopted by Council	Plan not developed and Aligned	Annual plan to be developed	Incorporation with IDP process		LED Manager		

No.	Priority Turn Around Focal Area	March 2010 <i>(Current Situation/ Baseline)</i>	Target for December 2010 <i>(Changed Situation)</i>	Municipal Action	Unblocking Action Needed from other Spheres and Agencies <i>(e.g. intervention or technical support)</i>	Human Resource allocated	Budget	
							Allocated	Projected
5.3	LED Manager appointed	Yes	Establishment LED Forum	Support to Forum Resource availed for functioning Business plan adoption	Support from Department and District Municipality			

EMTHANJENI MUNICIPALITY



ANNEXURE "M"

Housing Plan and Allocation

EMTHANJENI MUNICIPALITY



INTEGRATED HOUSING PLAN

October 2009

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Abbreviations

HIV/AIDS	–	Human Immune Virus Acquired Immune Deficiency Syndrome
IDP	-	Integrated Development Plan
IT	–	Information Technology
LED	–	Local Economic Development
M& E	–	Mentoring and Evaluation
MEC	–	Member of Executive Council
NCRA	–	National Credit Regulator Act
NHBRC	–	National Home Builders Registration Council
SABS	–	South African Bureau of Standards

LEGISLATIVE AND MANDATORY FRAMEWORK

- i. Constitution of South Africa, 1996 (Act 108 of 1996)
- ii. Housing Act, 1977 (Act 107 of 1997)
- iii. Prevention of Illegal Eviction from and Unlawful Occupation of Land Act, 1998 (Act 19 of 1998)
- iv. Rental Housing Act, 1999 (Act 50 of 1999)
- v. "Breaking New Ground". A comprehensive plan for the development of sustainable human settlements, 2004
- vi. Municipal Housing Accreditation Programme
- vii. Northern Cape Department of Housing and Local Government's *Integrated Housing Development Plan*
- viii. *Housing Allocation Policy, 2006 Draft Housing Strategy, 2000*
- viii. *Spatial Development Framework (SDF)*
- x. *Dept of Provincial Affairs and Local Government*
- xi. *Housing Amendment Act, 2001*

1. EXECUTIVE SUMMARY

Emthanjeni Municipality has applied in August 2006 to the MEC for Housing and Local Government to be accredited in terms of the Housing Municipal Accreditation programme. In the latter part of 2007, this application was approved with the granting of conditional Level 1 accreditation to Emthanjeni.

To be granted Level 1 accreditation, Emthanjeni Municipality must demonstrate to the MEC that they are able to:

- Establish a functional housing unit with the capacity to analyse housing needs and assess housing programmes,
- Draft and approve a Housing Allocation Policy,
- Handle the registration of beneficiaries and allocate subsidies across all housing programmes,
- Manage subsidiaries through a HSS inclusive of IT links to the provincial and national housing units,
- Draft and approve an Integrated Housing Plan, complete with a budget,
- Implement the housing strategies from the Integrated Housing Plan and spend its budget accordingly, and
- Identify housing projects and assess it comprehensively.

The compilation of this *Integrated Housing Plan* is therefore the next step in our Municipality's drive to be accredited, as it is the third of six requirements that must be satisfy in order to qualify.

This plan is also required as a management tool that outlines how the Municipality seeks to systematically gear their staff, systems, processes, finances and approach to rapidly eradicate the housing backlog this Municipality is faced with.

2. Emthanjeni in Context

Emthanjeni Municipality consist out of three towns, namely De Aar, Britstown and Hanover.

Emthanjeni, and especially De Aar, is renowned for its central location on the main railway line between Johannesburg, Cape Town, Port Elizabeth and Namibia. De Aar is situated in the Northern Cape Province, with an approximate population of 991919 people (census 2001). The Municipality is further situated in the Pixley ka Seme District Municipality with a approximately population of 164412 people (census 2001), this represents 16, 92% of the Northern Cape population. The Municipality is also situated approximately 300km south west of Kimberley, 440km south east of Upington, 300 km north east Beaufort-West and 300km south west of Bloemfontein.

Hanover lies approximately 65km east of De Aar on N1 main north to south route. Britstown is situated about 55km west of De Aar on the N12 route. Both these main routes link Johannesburg and Cape Town. The towns of Emthanjeni lie in an extension stock farming area with the emphasis on sheep, mutton and wool farming, especially merino's.



Figure 1

Towns and Residential Areas in Emthanjeni Municipality

De Aar has the following residential areas:

- De Aar-West
- De Aar- East
- Nonzwakazi
- Waterdal

Britstown has the following residential areas:

- Jansenville
- Mziwabantu
- Britstwon (town)
- Proteaville

Hanover has the following residential areas:

- Kwezi
- Nompumelelo
- Joe Slovo park
- Tornadoville
- Hanover (town)

3. Background and Purpose of the Housing Sector Plan

The Housing Act (Act 107 of 1997) requires municipalities to formulate housing strategies and targets and to incorporate these into their Integrated Development Plans (IDP'S).

This Plan is intended to guide the Municipality to deliver housing in a planned and coordinated manner. If successfully implemented, the Plan will help Emthanjeni Municipality to stimulate the local economy, create an environment for local job creation and to address the needs of the aged, the unemployed the disabled and HIV/AIDS victims. These groups should be ranked high on the programme for housing delivery within the Municipality. It will also help the Municipality to correct the spatial disparities of the apartheid era and ensure that integration and coordination happen between housing and other service provisions such as infrastructure development, roads, transport, education, health, tourism, safety and security, etc.

4. Methodology

In terms of the IDP planning requirements as outlined in the IDP Guide Pack, the planning procedures for housing sector planning is the same as that used in the formulation of the IDP. Housing sector plan is therefore a component and integral part of the IDP whose main focus is to ensure that housing delivery and management is undertaken in a coherent and efficient manner. It is consultative, participatory, strategic and implementation orientated.

The methodology took the form of firstly collecting relevant information concerning housing, land and infrastructure services within the Emthanjeni Municipality. Emthanjeni's IDP serves as an important source of information, complemented by other relevant housing reports. In addition, relevant municipal data from Central Statistical Services and the Provincial Department of Local Government and Housing were also used.

5. Legal Requirements for housing

There are several laws that governs and regulate the housing development of a Municipality. The National Constitution Act, 108 of 1996, assigns a developmental role to the Local Municipalities. Local municipalities are therefore been tasked with the responsibility of managing housing development within their areas of jurisdiction.

The housing Act (1997) is a key law that regulates housing development at both provincial and local levels.

The South African Constitution declared housing as a basic human right. The housing sector plan should therefore be seen as a legal and strategic document governing a municipality.

The Housing Act (1997) deals with roles and responsibilities of local government. The municipality is required to:

- Ensure, thorough integrated development planning, and that residents have access to adequate housing on a progressive basis. This includes access to a healthy and safe environment, as well as access to water, sanitation, electricity, roads, storm-water drainage and housing delivery goals in respect of its area of jurisdiction
- Identify and designate land for housing development, and
- Create and maintain a public environment conducive to housing development that is financially and socially viable.

The housing development plan should therefore seek to incorporate the following aspects as contained in the Draft Housing Strategy (2002) of the National Department of Housing such as:

- Take proper account of current housing needs and backlogs
- Accurately account for available resources
- Balance and prioritise needs across the various national housing programmes
- Inform strategic decision making by generating reliable options for delivery and to
- Contain realist and measurable targets for delivery and key performance indicators

6. Housing Delivery Process

The housing sector plan, as a component of the IDP intends to comprehensively address the housing development and delivery within a municipality. In achieving this objective, the following steps are usually followed:

Step 1: Analysis

There is a need to first gather information relevant to housing in a municipality area and compile it in the form of a report. A meeting of housing stakeholders in the area has to be arranged. In this meeting, the housing situation is presented and deliberated upon. The municipal housing waiting list is very important in guiding the whole process, as it will show in which areas within your municipality the greatest need for housing exists.

Step 2: Strategies

In this second step, stakeholders will have to develop a vision and this will be based largely on the housing situation as revealed in phase 1. In order to give effect to a vision, objectives will have to be developed along with strategies. Maximum caution should be exercised in order to ensure that the strategies are in line with the legislature framework. Furthermore, they should be practically implemented.

Step 3: Project Formulation

This is a stage in which possible housing projects are developed based on identified resources in step 1. This step entails aspects such as capacity at the municipality level to handle housing issues, project management, funding sources, monitoring and evaluation. Each project will have to be designed and implemented in a way that is geared towards accomplishing the housing vision in a municipality.

Step 4: Integration

There are programmes, other than housing, that are taking place at municipality level. These programmes have to reinforce each other in order to achieve the desired impact within a municipality area. It is during this stage that these programmes are integrated.

Step 5: Approval

Once the programmes (housing projects) have been integrated and aligned with other sector plans, they are ready to be presented to the council for adoption. In all the stages, housing stakeholders play an important role.

7. Status Report on the Housing Situation in Emthanjeni

The housing status report provides a concise analysis of the housing backlogs, housing needs, housing stakeholders, housing resources, housing professionals as well as past and current housing projects. See Table 1-7.

The following is a brief synopsis of the conditions of housing in the municipal area that needs to be addressed:

7.1 Current Housing Scenario**Informal Housing:**

De Aar	127
Britstown	103
Hanover	120
Total	350

Table 1

Housing Status

a) Municipal status quo on dwellings

Area	Number of dwellings	Formal dwellings	Backyard dwellers	Informal Settlement
De Aar	6026	5649	175	202
Britstown	1265	1057	16	192
Hanover	913	815	15	83
Total	8 204	7 521	206	477

Table 2

b) Municipal status quo on waiting list

Area	Number of people on waiting list
De Aar	3009
Britstown	661
Hanover	577
Total	4 247

Table 3

Municipal housing needs for the entire Emthanjeni Municipality area is continuously on the increase. Table 4 provides a summary of the current demand.

Summary of Current Housing Demand

Area	Low-cost	Affordable PPP	Developer-driven	Affordable Rental	Market-related rental
De Aar	2 500	1 000	350	200	100
Britstown	1 000	300	100	100	30
Hanover	500	200	50	50	20
Total	4 00	1 500	500	350	150

Table 4

The Department of Cooperative Government, Human Settlement and Traditional Affairs (Department of housing and Local Government) already approved the following:

2009/2010

Hanover	Hanover	Bristown
100 houses	50 planning of erven	33 houses (igloos)

Table 5

Future Application

2010/2011	2012/2013	2011/2012
1000 houses	1000 houses	1008 houses

Table 6

These figures are based on the current housing backlog of 2008.

7.2 Projected 5 year Housing Demand

The natural population growth for this area is below the national average. It is equally true that labour migration from cities / town in the future will have a significant impact on the housing needs in De Aar and surrounding towns. The factors that will most significantly fuel the need for housing across all categories over the five years 2008 to 2010 are as follow to name a few:

- A new hospital facility for De Aar with construction scheduled to start in November 2009.
- Expansion of provision government departments to the District,
- Major developments earmarked in the form of a mall in De Aar and property developments by private developers such as:
 - The possible construction of a major steel sweltering plant
 - The subsequent construction of shopping complexes
 - The construction of a ammunition dentition plant

- Other initiatives driven by the Municipalities LED strategy.
- Expansion of current businesses fuelling more job opportunities in the area.

Projected Needs

Table 7 outline that projected element for the delivery of houses over a short period to meet the growing elements.

Area	Low-cost (subsidized)	Affordable PPP (400 000)	Developer- driven (R400 000)	Affordable Rental (R3000)	Market-related rental (R3000)
De Aar	3 000	1 500	1 000	500	700
Britstown	1 200	700	350	300	200
Hanover	800	300	150	200	100
Total	5 000	2 500	1 500	1 000	1 000

Table 7

What is extremely clear is that the **future** demand for the delivery of houses far outnumber the current supply of houses as depicted in Table 8.

Urgent strategies and interventions needs to be put in place to foster a balance between the demand – supply of housing.

Ward	Type of Project	Nr. Of units	Status
Ward 1	People Housing Process	100	Completed
Ward 2	Developer Driven	366	Completed
Ward 3	Government – Sponsored	50	Completed
Ward 4	-	-	-
Ward 5	-	-	-
Ward 6	Government – Sponsored	91	Completed
Ward 7	Government – Sponsored	151	Completed

Table 8

8. Housing Development Strategies

Development strategies provide the most practical way of providing solution to the identified problems. A summary of indicators and their relevance to housing development serves as a guiding document in understanding the dynamic of the housing sector plan. It is a link between problems and the desired housing development objectives. Housing development strategies are preceded by guiding principles enshrined in the housing policy (2002) and legislation. They are also preceded by a housing **vision** and **objectives**.

8.1 Housing Guiding Principles, 2006

- Housing should be provided closer to employment opportunities
- Housing development should provide wider choice with regard to type of house, materials, tenure, etc
- Affordable and quality houses should be built
- Housing development should take measures not to harm the environment
- Housing should be prioritised to the poorest of the poor
- The special housing needs of the disabled and HIV/AIDS victims should be addressed
- Prohibit gender discrimination and all forms of discrimination by all actors in the housing development process
- The role of women in housing should be recognised and promoted
- Houses should be designed in a manner that they could be enlarged
- Promote higher density in respect of housing development to ensure the economical utilisation of land and services.
- Housing development should be economically, fiscally, socially and financially affordable and sustainable
- Housing development should be based on integrated development planning
- Promote racial, social, economic and physical integration in urban and rural areas
- Housing development should be administered in a transparent, accountable and equitable manner and uphold the practice of good governance.

- Encourage and support individuals and community organisations to fulfill their housing needs
- Promote education and consumer protection in respect of housing development
- Promote the establishment of socially and economically viable communities and safe and healthy conditions to ensure the elimination of slums
- Use public money available for housing development in a manner which stimulates private investment in, and the contribution of individuals to, housing development
- Promote the effective functioning of the housing market
- Facilitate the active involvement of all relevant stakeholders in housing development, and
- Provide community and recreational facilities in residential areas

8.2 Housing Strategies

Following are the priority focus areas and the strategic delivery activities that will be undertaken by the Municipality in order to realise the objectives stated above. The expected output for each strategy, the responsible agency to implement the strategy, the resources required to realise the strategy including the timeframe within which the strategy is to be implemented are outlined as follows:

HOUSING DEVELOPMENT STRATEGIES	ACTIVITIES
Provide mass housing delivery	Apply for housing subsidies from the Provincial Department of Housing to provide for housing need to cover both the backlog and the new housing need over five years
	Promote other housing programmes such as, Institutional Housing, Middle-income Housing, rental housing, etc
	Allocate subsidies to programmes in terms of agreed percentages stated in the Housing Sector Plan
Identify and develop suitably located land for housing development	Identify suitably located Municipal-owned land for housing development.
	Survey and plan the land to provide for stands
	Allocate stands to residents/ developers
Build quality houses	The Municipality to inspect the construction of houses from foundation to completion to ensure that quality houses are built.
	Enforce compliance to building regulations, NHRBC standards and municipal by-laws including the use of SABS approved materials.
	Project Steering Committees to be formed

	involving the developer, ward committee members, beneficiaries representatives and other local stakeholders to oversee the execution of the project.
	Developers should be discouraged from leaving building materials in the yards for too long as this leads to the theft of materials and the subsequent building of poor quality houses.

Members of the Projects Steering Committee should be involved when beneficiaries sign letters to ensure that indeed beneficiaries accept quality houses.

Houses should be planned to acceptable standards	Prevent houses being built with toilets at street front
	Prevent houses that are built to the point of encroaching into other residents' stands
	Prevent houses that are built over servitude
	Provide sufficient even space to enable the extension of houses when the need arises
Reduce time taken to process subsidy applications	Appoint staff to administer the processing of subsidy applications
	Help beneficiaries in filling application forms
	Interact with the Provincial Department of Housing about the need to be accredited to process applications locally
	Establish linkage with the Provincial Housing Subsidy System
	Purchase three computers for housing subsidy data capturers
	Train personnel on administering the Housing Subsidy System

Formation of Project Steering Committees to ensure the collaboration of developers, ward committees and councillors in the speedy execution of projects	Projects Steering Committees to be formed in all housing projects made up of the developer, ward committee, councillor and local stakeholders
	Keep Minutes of Projects Steering Committees
	Submit projects reports to the Housing Department
Compilation of a living housing waiting list that also caters for people needing serviced stands	Appoint an official to manage the compilation of a housing waiting list
	Applicants to enlist with the Municipality which will verify that indeed the applicant resides within the Municipality
	The Municipality to use a standard form, which categorises applicants in terms of income, disability, pensioners and HIV/AIDS victims. The list should also cover residents who only need serviced stands
	Housing Official to keep the lists separate per ward
Land invasion control	A Housing Committee convened by the Housing Councillor or the Portfolio Committee on Housing (served by the Housing Manager as the secretariat) should decide on the allocation of subsidies taking into account the allocation percentages
	Discourage people from invading land
	Discourage chiefs from allocating land
	Encourage people to apply for serviced stands with the Municipality
	Report any form of land invasion to the Municipal Security Department within 48 hours.

Fair Allocation of housing subsidies to all towns	Allocate subsidies to towns according to agreed percentage allocations
Promote the involvement of black companies in the housing market	Establish a Database of service providers
	Implement government procurement legislation in appointing service providers in particular the preferential procurement system which prioritise black empowerment and the empowerment of women in housing development projects
	Coordinate and involve black companies in capacity building programmes run by the Department of Public Works or other institutions

8.3 Identified Housing Projects

The following projects were identified as part of the prioritisation process, which took into account available resources, equipment and manpower. These projects serve as a means of addressing the housing strategies, objectives and ultimately the housing vision of the Municipality.

NO	PROJECT
1	Land acquisition and development
2	Housing Development Projects – Developer Driven
3	Government sponsored Housing
4	Mass rental house

8.4 Housing Projects

8.4.1 Five-Year Housing Development Plan

The municipality's five year housing development plan should have the following characteristics or elements:

The above projects should be broken into a Five-Year Housing Development Plan. A One-Year Housing Development Plan should also be provided to outline what needs to be done in the first year of implementing the Five-Year Housing Development Plan.

The Five-Year Housing Development Plan outlines projects in the following format:

- Project name
- Objective of the project
- Activity/delivery strategy
- Responsible agency
- Target group
- Locality
- Indicators
- Output
- Project cost
- Budget source
- Timeframe

9. Spatial Reference for Housing Intervention

Housing development strategies and projects have no meaning when they do not relate to the spatial situation obtainable within the Municipality. This section seeks to elaborate in spatial terms the identified land portions targeted for future housing development. Such land has been identified within the context of the development principles of the Development Facilitation Act (No. 67 of 1995) which, amongst others, require Municipalities to achieve the following development objectives:

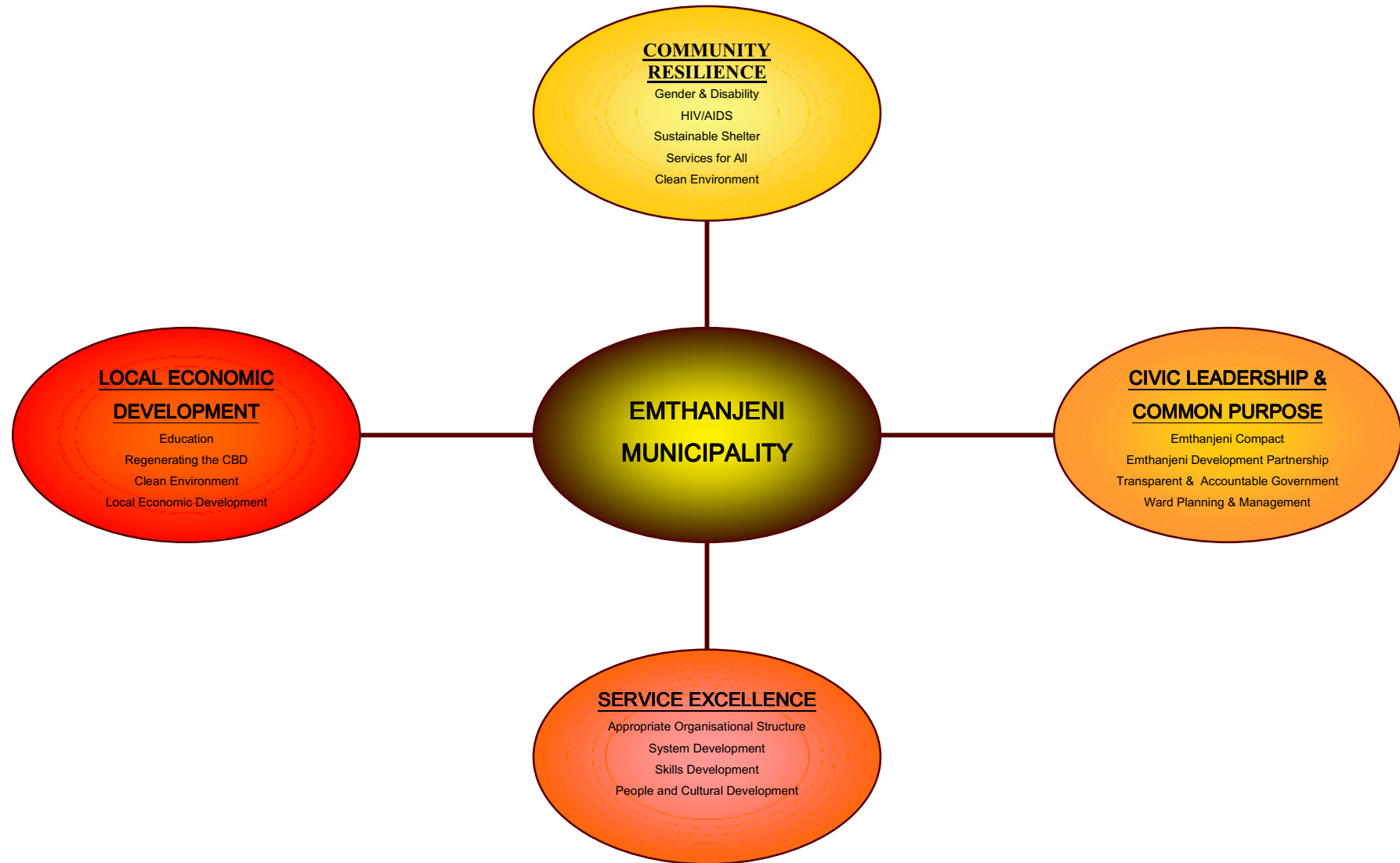
- Integrate residential areas and do away with the segregation of people in terms of race
- Integrate urban and rural areas in the most economical manner
- Compact cities and prevent urban sprawl. *In situ* development within the towns should therefore be prioritised over new green-fields developments
- Integrate housing with other service provisions to maximise the use of limited resources
- Implement housing projects that are environmentally-friendly
- Target land for housing near employment opportunities

10. Integration

The purpose of “Integration” is to ensure that the projects elaborated above are integrated with the other projects identified in the IDP to achieve proper co-ordination and alignment taking into account their contents, location and timing. For example, housing projects can be aligned with the infrastructure, land acquisition and education-related projects to enable maximum impact to be made on housing the homeless, creating job opportunities, stimulating the local economy and providing basic municipal services which will also help alleviate poverty and fight diseases. This in short provides the correct way to realising integrated development in a true sense.

The following drawing illustrates the relationship between housing and other IDP development programmes or projects.

Emthanjeni IDP – Figure 2



11. Municipal Institutional Arrangements

In terms of the national and provincial housing policy, legislation and programmes, the Municipality is expected to perform the following housing functions amongst others:

HOUSING FUNCTIONS
• Conduct socio-economic surveys to determine population growth, the housing need and the housing backlog including compilation of a housing waiting list
• Submit housing needs to the Province
• Help applicants in filling housing subsidy application forms
• Process housing subsidy applications through the housing subsidy computer system
• Inspect buildings including the laying out of foundations, installation of infrastructure services and the construction of houses
• Employ project managers who will ensure that housing projects within the Municipal area are completed within agreed timeframes
• Ensure quality management in projects
• Manage the implementation of the housing sector plan
• Monitor and evaluate the implementation of the Housing Sector Plan
• Make input on housing policy and liaise with provincial and national housing practitioners
• Plan, survey, proclaim and service land for housing purposes and allocate stands to beneficiaries ahead of subsidy allocations
• Furnish housing information to the province, national and the public on request
• Comply with environmental impact assessment procedures
• Monitor and combat land invasion
• Establish a housing disaster policy for the Department
• Promote middle-income housing and inner-city redevelopment
• Establish a database of service providers, housing stakeholders, and housing resources
• Ensure integrated development of housing projects and coordinate implementation with relevant sister departments
• Stabilise the housing environment between financial institutions and defaulting homeowners
• Provide housing consumer education
• Compile and maintain housing information
• Investigate and seek solution to alleged irregularities and fraudulent activities
• Facilitate the involvement of national housing institutions in the housing delivery process – NHBRC, etc.
• Oversee the implementation of the NHBRC Warranty Scheme and ensure compliance to Building

Standards and NHBRC standards

- Implement the Housing Amendment Act No.4 of 2001 as it relates to the restriction of sale of subsidised houses

12. HOUSING DELIVERY CHALLENGES AND CROSS-CUTTING ISSUES

12.1 Cross-Cutting Issues

The delivery of sustainable housing cross cutting issues, which require a multi-sectoral response and thus need to be considered by all clusters, especially the housing sector.

Emthanjeni is currently undertaking a process of “mainstreaming” cross-cutting issues, through supporting the different directorates to consider and take account of these issues.

These issues discussed in this section include:

- HIV/Aids
- Unemployment
- Poverty
- Gender
- Disability
- Older Persons
- Youth & Children

Some of these and other issues will be unpacked for its relevance to housing development.

12.1.1 HIV/ AIDS

During 2006, Emthanjeni Municipality embarked on a HIV/Aids Cross Cutting Strategy.

The HIV/Aids epidemic in South Africa is one of the most severe in the world. There are currently between 4 and 6 million people living with HIV/Aids in South Africa.

HIV/Aids is a huge and growing threat to Emthanjeni Municipality’s ability to be a productive, inclusive, sustainable and well-governed town. HIV/Aids is considered to be a strategic priority

because of its potential to undermine development and exacerbate poverty. Major national concerns are that:

- Between 1998 and 2008, average life expectancy is expected to fall from about 60 years to 40 years;
- It is projected that by 2005 there will be nearly a million children under 15 years of age who have lost their mothers to Aids;
- The South African Bureau for Economic Research has estimated that by 2015, the labour force in South Africa will decrease by 21% due to HIV/Aids.

In addition, service delivery to and the ensuing income generation from households infected and affected by HIV/Aids becomes a challenge during the course of the disease. During the early phases of the disease, the Municipality may experience little or no disruption. However, during severe and final phase of the illness, consequences can be serious. For example, as the illness progresses, the infected individual/ breadwinner will be unable to work and will require a high level of care. The income earning capacity for the household will decrease and expenses will increase. Rents and loans will fall behind and tenants will risk losing their homes and assets. As child-headed households become more prevalent, the extended family may consist of non-economically viable relatives and orphans.

Households' heads may die without a will before or after moving into their government subsidized home, which may open the door for unscrupulous relatives to abuse the household's asset base.

12.1.2 Unemployment

Irrespective of which definition of unemployment one prefers or subscribes to, the fact remains that at best unemployment is 26% or at its worst 40% as expressed as a proportion of the economically active adult population in South Africa. It is not disputed that unemployment in this Municipal area is far worse than the national average, with some analysts believing the situation is as bad as 70% in De Aar and 80% in Britstown and Hanover.

The problem of unemployment not only exacerbates the burden on local government to provide houses to a significant number of the population, but impedes the ability of subsidized beneficiaries to pay for services.

12.1.3 Exorbitant Costs

The alarming cost of land is well-known, save to say that there is no reason to believe that this trend might subside soon. This is further compounded by spiraling building material costs that is, no doubt, above inflation whereas salary increases over the last few years have been inflation-linked. This double-edged sword cuts both ways – it adversely affects the ability of unsubsidized buyers to purchase houses delivered by the market while at the same time it undermines the state's ability to deliver subsidized houses at the rate required. The costs associated with the installation of bulk services only serves to underscore how bleak the picture truly is. The provision of bulk water and electricity in De Aar remain a significant problem that persists in the face of monetary constraints to remedy the situation.

12.1.4 Affordability

The unrelenting interest rate increases since June 2006 and the National Credit Regulator Act (NCRA) promulgated in June 2007 have undermined many salaried households' ability to purchase a house from the market.

The following example is to illustrate the impact of the interest rate increases and the NCRA on affordability based on a house of R300 000.00 over a 20 year repayment period.

Year	Prime	Installment
June 2006	10,5 %	R2 970.00
June 2007	14,0 %	R3 580.00

The installment for June 2007 is not only more because of the ongoing increases of the interest rates, but the National Credit Regulator Act regulates that, unlike before its promulgation, the credit lender must consider all other expenses thus basing the decision on affordability from an amount much smaller than the gross monthly salary.

This shows that someone who qualified for a house of R300 000.00 in June 2006, now only qualifies for a house of R250 000.00

12.1.5 Inbound Migration

The District capital and the seat of this Municipality is in the town of De Aar. Its obvious better offerings for service delivery and employment opportunities (in especially the public service) leads to unsustainable migratory patterns to the town, which in turn pressurizes the service delivery and planning capabilities of the Municipality.

12.1.6 Backyard Dwellers

This phenomenon occurs mostly because of rental accommodation and includes shacks or even more concrete structures annexed to the main dwelling. The problem is two-fold in that backyard dwellers are not considered for service provision and the structures are unregulated and pose obvious safety hazards.

13. INSTITUTIONAL READINESS

13.1 Governance

The Council has delegated its governance responsibilities on housing matters to the Social Services Committee. This sub-committee, which is also responsible for Corporate Services and Infrastructure and Planning, is a proper functioning entity with monthly meetings.

In terms of its housing mandate, it is tasked with oversight of the planning and performance of the housing unit that is located in the Department of Infrastructure and Planning.

13.2 Human Resources

- **Organizational structure**

Housing Unit in 2006 was not approved on the organogram. There was only a Chief Housing Officer with 3 administrative personnel who were employed in the Community & Social Services Department. Functions performed were basically administrative in nature and included maintenance of waiting lists and administrative support to the Department for Provincial Housing projects.

13.3 Human capacity

On the latest approved organogram, a Housing Unit is established under the Infrastructure directorate. A Housing Manager was appointed in November 2007 who reports to the Director for Infrastructure. Provision was made for a Housing Specialist, an IT Specialist, a Building Inspector and 5 Housing Clerks. Of the afore-mentioned, all the Clerks were transferred to the new Unit, with 3 being in the De Aar office and 1 each in the Britstown and Hanover offices respectively.

Job Profiles for the manager as well the support staff has been completed.

13.4 Physical Infrastructure

The newly established housing unit is adequately resources and office accommodation is about to completed and the staff is expecting move in within the next two months.

13.5 Policies

A consultant has been appointed to draft all the relevant policies to expedite housing delivery.

13.6 Systems

- Organizational and Management Systems

Emthanjeni Municipality is adequately operational with the necessary and mandatory Organizational and Management Systems to carry out the mandate of efficient and effective service delivery. The systems implemented by the municipality will sustain any new programmes which might be added to the mandate of municipality, e.g. water

- Housing delivery capacity

Emthanjeni Municipality have never struggled to spend on its budget, whether on capital projects or in respect of its operational allocations. Its spending capacity, therefore, has been proven and counts strongly in favour of the municipality for full accreditation as it will sustain this *spending capacity* in the execution of their housing mandate.

14. Monitoring and Evaluation

A Monitoring and Evaluation (M & E) Framework is to be put in place as it is essential to enable the effective implementation of the Housing Sector Plan. The realisation of the vision and objectives set out in the Housing Sector Plan can only be attained through a continuous but flexible monitoring process of the targets and indicators set for the strategies and projects.

EMTHANJENI MUNICIPALITY



HOUSING ALLOCATION POLICY

March 2010

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ABBREVIATIONS AND DEFINITIONS

ALLOCATION	To assign a specific right to a housing applicant to access Government subsidized housing or a serviced site.
BOARD	The Provincial Board for Housing
CBO's	Community Based Organisations
COGHSTA	Department of Cooperative Governance, Human Settlement and Traditional Affairs.
CPIX	Consumer Price Index excluding interest rates on mortgage bonds.
EXISTING INFORMAL SETTLEMENT	Unplanned settlement occupied in an informal manner with or without the permission of the land owner on a date before the adoption of this Policy or where the court did not grant a court interdict for eviction of all illegal occupants from the land in question and to which basic services have or not have been rendered.
HAAC	Housing Allocations and Audit Committee
HIV/AIDS	Human Immunodeficiency Virus Acquired Immunodeficiency Syndrome
HOUSING DATABASE	A computerized storage of information about the profile of the residents of Emthanjeni and the residential sites belonging to Municipality.
HOUSING DEVELOPMENT	The establishment and maintenance of habitable stable and sustainable public and private residential environments that ensure viable households and communities in areas allowing convenient access to

	economic opportunities, health, educational and social amenities in which all citizens of South Africa will on a progressive basis, have access to permanent residential structures with secure tenure, portable water, adequate sanitation facilities and domestic energy supply and which will ensure internal and external privacy and provide adequate protection against the elements.
HSP	Housing Sector Plan
IDP	Integrated Development Plan
Infill planning	Upgrading or developing new developments on open spaces within built up areas to improve or to better utilize existing services and infrastructure.
IN-SITU UPGRADING	The progressive upgrading of land informally occupied by humans through intervention by the authorities to create a habitable environment.
IRDP	Integrated Residential Development Programme.
LAND	Land includes a portion of land.
MEC	Member of the Executive Council of the Northern Cape Province responsible for Human Settlements.
NDOH	National Department of Housing
NGO's	Non – Governmental Organisations
Policy	Housing Allocation Policy.

PROLIFERATION	A rapid and often excessive spread or increase.
SDF	Spatial Development Framework
SUSTANAIBLE HUMAN SETTLEMENT	A place designed for a wide variety of developmental needs and activities of humans, which utilizes local resources efficiently, creates opportunities for people to achieve their full potential and which is convenient, offers choice and quality and promotes equality of access.

1. INTRODUCTION

The introduction of the Integrated Residential Development Programme (IRDP) marked a fundamental departure from the way in which housing projects were planned and implemented in the past. The IRDP introduced an era of community-wide development orientation that includes the provision of a range of housing opportunities, a project life cycle planning approach where the creation of a serviced stand has been divorced from the housing construction phase, and more importantly, the de-linking of housing subsidy beneficiary selection and approval processes from the project implementation process. Housing subsidy beneficiaries are now identified during the house construction phase and transfer of ownership to the approved beneficiary is only affected after the completion of the house.

This area-wide development orientation and the de-linking of subsidy beneficiaries from project process created a need for a structured housing allocation strategy in terms of which the variety of housing opportunities created through the IRDP Programme are allocated to households.

The IRDP requires a two dimensional approach. The first dimension pertains to the allocation of serviced stands to households that do not qualify for housing subsidies, the allocation/disposal of stands earmarked for business/commercial use, institutional stands, stands created for churches, crèche sites and other stands earmarked for “not for profit” organisations.

The second dimension pertains to the allocation of stands for housing subsidy beneficiaries who qualify for assistance to acquire a house for the variety of housing options available through the National Housing Programmes.

The introduction of the IRDP also created challenges for the administration of all existing waiting lists and housing demand database. Housing development through the National Housing Programme now not only targets housing subsidy beneficiaries as in the past, but is orientated towards achieving integrated and the establishment of sustainable human settlement.

The new policy directives and opportunities require a new approach to the management of housing needs registers, and more specifically, the way in which housing opportunities created by the organs of the state are to be allocated.

The Policy therefore enables the Emthanjeni Municipality to consider the individual needs of applicants whilst making best use of the scarce housing resource. The policy sets out:

- (i) How Properties are allocated
- (ii) How to apply for housing

- (iii) Who is eligible to be accepted onto the housing register
- (iv) How priority for housing applicants will be given
- (v) Eligibility for different property types

2. Aims and Objectives

2.1 The Municipal Housing Allocations policy aims to:

- 2.1.1 Ensure that the allocations and assessment policy is transparent, simple, and easy to understand for all.
- 2.1.2 Provide applicants with choice and give reasonable preference to those with the greatest housing needs.
- 2.1.3 Offer applicants open and fair access to housing and recognize diverse needs.
- 2.1.4 Offer applicants a more active role in choosing accommodation, taking account of individual circumstances and waiting time.
- 2.1.5 Provide applicants with sufficient information to make informed choices about opportunities for re-housing and understand the criteria and processes adopted by the Municipality.
- 2.1.6 Maximize the use of, and efficiently let, all housing stock available to the Municipality.
- 2.1.7 Promote social inclusion, sustainable communities and ensure that applicants benefit from any future regeneration and development taking place within the Municipality.

3. Legal Framework

The following Legislation and Policies provide the appropriate Legislative Framework within which Emthanjeni Housing Policy is drafted:

- 3.1 Constitution of the Republic of South Africa, 1996 (Act no. 108 of 1996)
- 3.2 Development Facilitation Act, 1991 (Act No. 67 of 1995)
- 3.3 Interim Protection of Land Rights Act, 1997 (Act no 62 of 1997)
- 3.4 Housing Act 1997 (No 107 of 1997).
- 3.5 Local Government Municipal Finance Management Framework Act, 2003 (Act No 56 of 2003)
- 3.6 Municipal Systems Act, 2000 (Act No. 32 of 2000)
- 3.7 National Housing Code, 2000
- 3.8 Public Finance Management Act, 1999

4. Guiding Principles

The following principles serve as guides in the implementation of Emthanjeni Housing Policy:

4.1 Sustainability

Promotion of the establishment of socially and economically viable communities and safe and healthy conditions for human settlement while ensuring that residential developments do not to impact adversely on the environment.

4.2 Fairness and Equity

Housing development shall promote equal access to opportunities as well as promote equity in respect of race, gender, religion and creed.

4.3 Integration

Integrating social, economic, institutional, physical and environmental issues in the development of sustainable human settlement whilst ensuring that new developments lead to the integration of urban and rural areas in support of one another.

4.4 Affordability

Residential development shall be economically, fiscally, socially and financially affordable and sustainable and houses shall have a market value.

4.5 Innovation and Choice

Promoting innovative responses that increase the availability of choice and variety to the consumer.

4.6 Combating Urban Sprawl

Ensuring that new developments contribute to the compaction of cities and are contained within the urban fringes as defined in the Spatial Development Framework (SDF) of the municipality.

4.7 Community Participation

Ensuring that affected communities actively participate in the development process.

4.8 Empowerment

Ensuring that development incorporates capacity building programmes that promote the utilisation of local skills and resources as well as the participation of previously disadvantaged communities.

4.9 Habitability

Only suitable land for human occupation shall be considered for residential/housing development.

4.10 Proximity to Economic Opportunities

Land for housing shall be ideally located next to economic opportunities to lessen the transport cost for residents going to work.

4.11 Serviceability

Land made available or considered for residential development shall be serviceable.

4.12 Densification

Higher densities shall be encouraged to ensure the economical utilisation of land and services.

4.13 Quality

New housing developments shall comply with the minimum quality standards.

4.14 Environmentally friendly

Promoting the utilisation of environmentally friendly resources and designs that focus on energy saving.

4.15 Nature Centred Development

Creating synergy between man-made and ecological systems through the continuation of green spaces in human settlements and the utilisation of environmentally friendly resources and designs that focus on energy saving.

4.16 Human Centred Development

Ensuring that the developmental needs and activities of people living in settlements are catered for and that opportunities for people to achieve their full potential through their own efforts are maximized.

5. Housing Allocation Types

The Municipality has noticed that there is confusion, bias and favouritism in the allocation of houses. There is also widespread dissatisfaction around queue-jumping. The Municipality is also concerned that many people do not understand the procedure for applying for both municipal rental accommodation and government subsidy houses.

5.1 Municipal Rental Housing Stock

5.1.1 Invitation of Applications

5.1.1.1 The Municipality shall invite potential applicants to apply for Municipal rental housing accommodation every January of each year.

5.1.1.2 Applicants may apply at the Municipal offices and its satellite offices

5.1.1.3 After this initial yearly invitation applicants may apply at any time during the course of the year.

5.1.1.4 Applications shall be made in a standard application form obtainable from the housing Unit (HU) of Emthanjeni Municipality.

5.1.1.5 Applicants shall declare in the application forms, their current residential address, income profile, marital status, gender, age and disability.

5.1.1.6 Applicants shall state the area they prefer to be allocated rental accommodation (be a block of flats, individual house or semi-detached house)

5.1.1.7 After submitting an application, an applicant shall be issued with a housing application receipt with an official municipal stamp reflecting the date of application, the type of accommodation applied for and the signature of the Head of Housing or his/her delegatee.

5.1.2 Processing of Applications

5.1.2.1 Completed applications shall be lodged with the Head of Housing who shall capture the information on the Housing Database separate from other database information

5.1.2.2 Housing Allocation shall be decided on a first come first serve basis subject to the provisions below

5.1.2.3 For the purpose of fair allocation of accommodation and the imperative to protect the interests of vulnerable groups the Manager of Housing shall set up a Housing Allocation and Audit Committee (HAAC) to adjudicate the allocations

5.1.2.4 The Committee shall be chaired by the Head of the HU or his/her nominee and shall be composed of municipal officials in line with the relevant Council Resolution

5.1.2.5 The following allocation criteria shall be used as a guide in making allocations:

- (i) Applicants shall be Emthanjeni's residents for a period not less than three (3) years
- (ii) Applicants who already own properties or sites in Emthanjeni shall not be considered
- (iii) The principle of "first come first serve" shall apply (The aged, the disabled and HIV/AIDS victims shall be prioritized without unduly undermining the principle of first come first serve)
- (iv) The type of accommodation allocated shall be congruent with the household income of the applicant up to a maximum of R7 500 (This upper limit shall be escalated annually at Consumer Price Index excluding interest rate on mortgage bonds (CPIX) and in line with National Housing legislation)
- (v) After an application has been approved, the Municipality shall inform the applicant through any of the following:
 - (i) A letter, where an address has been provided in the application form
 - (ii) A telephone call
 - (iii) A fax, where a fax number has been provided, and
 - (iv) Notices on the notice boards of the Housing Sub-Directorate and its satellite offices

The information of the approved applicants shall be added into the Housing Database of the Municipality.

5.2 New Housing Development

Council will facilitate an initial list composed of beneficiaries from the following sources:

- (I) Target community: This is the group of beneficiaries that gave rise to the new housing project in the first place. In projects where more families than just the target community can be accommodated, that additional number is referred to as the Municipal Submission. By implication thus the target community is project specific.
- (II) Municipal Submission: These are names the municipality may submit to the Project Manager. This may only comprise families that have to be absorbed as a result of dedensification elsewhere or a court might direct the Municipality to accommodate.
- (III) The Interim Housing Database: This refers to all waiting lists collectively, whether area-based, estate-based, municipal or project-based.

The following bodies may not submit names of potential beneficiaries to Project Managers:

- (i) Community Based Organisations (CBO's)
- (ii) Municipal Councillors (NGO's)
- (iii) Non-Governmental Organisations
- (iv) Sub-Councils

Officials may not, in their personal capacity, submit names on behalf of potential beneficiaries. They may only receive names in their capacity as Project Managers, Project List Compilers and Administrators.

5.2.1 The Registration process

It is ineffective for the Municipality to directly contact all persons on the database individually to ask whether they have an interest in a new project. In many instances the contact details have changed, while in others the applicant's circumstances have changed, which may mean they no longer qualify for a subsidy.

The Municipality would thus prefer to work with a set of records on the Database which has been recently updated.

To meet this need it is proposed that a biennial registration process be introduced. It would function as follows:

The purpose of the Biennial registration process is to:

5.2.1.1 Provide the Municipality with a recently updated set of names within the database which more or less align with the projected deliveries in the next two years.

5.2.1.2 Offer the applicant the opportunity to register that his/her intentions and circumstances had not changed.

5.2.1.3 Every second year Council conducts a registration process that confirms, among other basic information, the applicant's:

5.2.1.3.1 Interest in being part of a saving driven scheme;

5.2.1.3.2 Preferred geographic location, and one alternate to that;

5.2.1.3.3 Current residential address.

5.2.1.4 The Municipality will then also issue the applicant with a Housing Registration Card.

5.2.1.5 The registration process lasts for a limited period of one month. The number of registrations admitted is to be guided by the anticipated number of houses available over the coming two years.

5.2.1.6 Registrations would be regarded as part of the new housing projects only.

5.2.1.7 Having registered does not entitle the applicant to being on any particular project list.

5.2.1.8 Applicants are registered on a first-come-first-served basis.

5.2.2 Drafting Project Lists

Given the growing gap between subsidies being made available and the need experienced, competition for access to housing will intensify. This can be felt most acutely around the drafting and finalisation of the beneficiary list. A lack of official procedure and policy has the potential to result in considerable contestation, project delays and in some cases even violence. As a mitigating measure, Council has to introduce the Housing Allocations and Audit Committee (HAAC).

To relieve some of these tensions it is proposed that the Project Manager be guided by the following procedure, which runs from “identifying a beneficiary” to “finally transferring the housing”:

- (i) Drawn from the preliminary site planning, the number of erven available for each project is determined.
- (ii) In order for the project to receive funding approval the Project Manager must draft and submit an “initial list” of potential beneficiaries to the Provincial Board. This list contains the exact number of names as can be accommodated in the project. All names appearing on the initial list will come from the three sources listed in 5.2.
- (iii) Each project shall have its own source split (i.e. how much each source makes up as part of the project total) subject to ratification and approval by the Member of the Executive Council for Human Settlements. Such a split is primarily the result of the surplus or deficit a project may have once the Target Community has been accommodated.

- (iv) Having approved the project, the Board then asks the Project Manager to get all persons on the initial list to complete the application forms in detail.
- (v) During detailed evaluation a small percentage is normally found not to qualify, while other applicants cannot be traced. Extra opportunities that arise under such conditions must be filled by drawing on one of the three sources listed in 5.2.
- (vi) An administrative office shall be established at each project site which:
 - Places qualifiers of the target Community onto Municipal database;
 - Assists potential beneficiaries in completing national subsidy application forms.
- (vii) Once complete, the list gets referred to the HAAC. On satisfying itself that objections have been resolved and that all names appearing on it qualify, the Board confirms the list as final. It is then known as the “final list”.

5.3 Institutional Housing

Housing Institutions have their own allocation criteria. They are responsible for maintaining their own list and drawing from it when units become available. Their lists are underpinned by different principles. It is proposed that the integrity of these lists and procedures be respected by not interfering with either in their maintenance or use. Yet the Municipality should be active to encourage the establishment and delivery of houses through institutions. It is important that the Municipality adopts a systematic and defensible policy with regard to housing institutions.

The Municipality shall be not interfere in allocation procedures and policy adopted by individual institutions.

Where the Municipality contributes financially, or otherwise, it receives a pro-rata share of the units in return, which must be reflected in the contract.

The Municipality shall release appropriate parcels of land to institutions to encourage higher density and well-located housing development.

All institutions applying for Municipal support shall be treated equally.

The Municipality shall deal and negotiate with applicants once they approach the Municipality. It shall not be solicited.

6. Housing Subsidy Allocation

There is currently no conscious effort taken in capitalising on the sources of housing funding. In order to bargain for more funding from the Province as well as maximizing rental accommodation as a source of income generation, a framework needs to be in place. This policy aims to set that framework.

There is a need to implement guidelines relating to the R 2 479 - Beneficiary Contributions as prescribed by the strategy for the collection and disbursement of the housing subsidy beneficiaries' cash contribution.

There is also a need to engage financial institutions to invest in housing including setting the necessary platforms for Public- Private Partnerships in housing, be it rental housing or infill planning.

It is contemplated that prior planning for housing shall serve as an instrument to bargain for more funding from the Province. The role of the private sector in housing shall be maximized. The municipal debtor system shall be improved to increase income generated from the rentals.

6.1 Creating conditions for increased housing subsidy allocation

Housing subsidy allocations from the Provincial Department of Cooperative Governance, Human Settlement and Traditional Affairs (COGHSTA) form the pillar of Municipal Housing Finance. The Housing Unit together with the Planning department proactively identifies, acquire and develop land for housing purposes.

Once sites have been serviced, the Housing Unit shall allocate and register sites / erven in the names of the applicants according to the provisions set out in this policy. Having established the possible number of subsidies to be allocated, the HAAC shall approve a list of applicants. The Housing Unit shall register them onto the Housing Demand Database and wait for the Province to approve projects and issue project numbers.

Once projects have been approved, the list of approved applicants shall be forwarded to the developer or any appointed implementing agent. The developer or implementing agent shall be required to implement the project immediately.

The above procedure is intended to streamline and speed up the implementation of housing projects in the Emthanjeni Municipality so that it can obtain continuous and increased subsidy allocation from the Province.

6.2 Utilising funds in the Municipality's separate account for housing

Chapter 15 & 16 of the National Housing Act, 1997 requires Municipalities to establish separate operating accounts into which the proceeds of the sale, letting and disposal of municipal properties could be deposited, including the net proceeds of municipal infrastructure provided through loans, advances or other financing.

Section 16 (2) of the Housing Act specifies that the money deposited into the separate operating account shall be utilized by the Municipality for housing development in accordance with the national housing policy and a housing development project approved by the MEC. The housing unit shall, in consultation with the Department of Finance, ensure that the prescription of the Housing Act is complied with.

6.3 Regulations for the R 2 479 - Beneficiary Contribution

The new housing subsidy requires applicants to contribute an amount of R 2 479 towards the acquisition of a subsidy house in the event that they choose not to participate in the People's Housing Process.

The housing unit shall collect beneficiary contribution in terms of the provisions of the strategy for the collection and disbursement of the "Housing Subsidy Beneficiaries Cash Contribution" issued by the National Department of Housing dated 16 February 2004.

6.4 Promoting Private Sector Investment in Housing

The Housing Unit shall devise strategies to attract private sector participation in housing. It shall designate land portions as will be identified in the Housing Sector Plan for low, middle and high income housing development.

It shall on its own or through inviting tenders, service these portions of land and sell sites / erven to the public. Public and private sector developers shall be allowed access to the list of applicants who declare income when enlisting on the Housing Demand Database and are in need of middle or high income housing.

Financial institutions shall also be allowed access to this information to enable them to explore funding possibilities.

The money derived from the sale of serviced erven / sites shall be utilized for the improvement of low income areas especially improving the road and streets conditions.

The Local Government Municipal Finance Management Act of 2003 shall be complied with in promoting Public-Private Partnerships.

The Housing Unit shall also promote Public-Private Partnerships in the management or disposal of rental housing as well as development of institutional housing.

7. Housing Demand Database

Without a database the Municipality finds it difficult to know the extent of housing need within the Municipality. This complicates housing allocation. There is problem with housing applications that are not systematically recorded and no dedicated officials appointed to handle them.

The housing database will serve as the core instrument in the implementation of housing allocation and as a planning tool to housing, planning and infrastructure departments.

7.1 Establishment of the Housing Database

7.1.1 The Housing Sub-Directorate shall set up a computerized Housing Database

7.1.2 The Database shall be server based and will be stationed in the offices of the

7.1.3 Housing Sub-Directorate

7.1.4 The Database shall be linked and accessible through computers in the satellite offices of the Housing Sub-Directorate

It shall be linked with the Housing Subsidy System for the purpose of receiving updated information about applicants granted housing subsidies

7.1.5 A dedicated officer shall be appointed to oversee the management of the Housing Database

7.2 Components of the Housing Database

For a start the Housing Database shall be made up of four main components:

- (i) Legal occupants of residential dwellings (middle-income and high-income)
- (ii) Occupants of Informal Settlements (stayed over six months and those who stayed less than six months)
- (iii) Occupants of municipal rental housing accommodation
- (iv) Occupants of government subsidized housing

In addition to the above, the Housing Database shall also contain three separate application lists

- (i) Housing Waiting List

- (ii) Application List for Municipal Rental Housing Accommodation
- (iii) Application List for Serviced Sites

The Housing Database shall be flexible enough to be able to accommodate new needs such as land ownership, sites serviced with different water and sanitation services, etc.

7.3 Usage of the Housing Database

- 7.3.1 The Housing Database shall serve as the main source of housing information in Emthanjeni Municipality.
- 7.3.2 The Housing Database shall serve as a vital instrument in the decision-making process of the Housing Sub-Directorate and other Municipal departments.
- 7.3.3 It shall be integral in deciding housing allocations to applicants.
- 7.3.4 The Housing Database shall be easy to use and shall be able to generate reports through a variety of queries, e.g. list of names, list of site numbers and addresses, date of registration on the database, list of new applicants for subsidy housing, rental accommodation and serviced sites, income level of applicants, etc.

8. In Situ Upgrade Support

With the number of subsidies being received it is unlikely that the Emthanjeni will overcome the presence of informal settlements through the current housing delivery process. Policies to prevent the further environmental decline of informal areas and for progressively upgrading them will need to be introduced.

In these instances there appears to be little option but to include all current residents in the process. All those families qualifying for a subsidy will be targeted. It is also highly likely that in each case a level of dedensification, and therefore relocation has to take place during upgrading.

The Municipality will endeavour to assist all qualifying residents / families of an informal area earmarked for in situ upgrading where this permits in terms of the national housing subsidy scheme. The families choosing to relocate (due to dedensification) will be accommodated as part of a Municipal Submission. The families assisted in this type of project are deemed the "target community".

Any surplus of plots shall be issued to families from the Municipal Submission.

Not all settlements can receive attention in the same year. Assistance should be given to those settlements most likely to succeed as upgrade projects. However, this should be viewed as a question of prioritisation and not of allocation.

As a first step in the upgrade process a Project Register must be prepared. The register must list all members of the target community, stipulating:

- (i) Those that would qualify for a subsidy
- (ii) Those that do not qualify for a subsidy
- (iii) Those desiring to relocate elsewhere

9. Regulation of Informal Settlements, Land Invasion and Evictions from Land

Emthanjeni Municipality is faced with the continuous proliferation of informal settlements and land invasion, particularly on the periphery of the urban areas. Most of these informal settlements have developed through the invasion of privately or state owned land which makes service delivery by the municipality difficult. The process of transferring some of this land to the municipality is cumbersome, thus restricting the municipality from exercising its mandate in rendering basic services to the affected communities.

The Municipality also does not have a policy to deal effectively with the proliferation of informal settlements. It is believed that land invasion and thus the proliferation of informal settlements, is driven by the following issues:

- 9.1.1 A perception by rural migrants and people from poor small towns that settling in informal settlements in urban areas will usher them to a better life.
- 9.1.2 Initial occupants of informal settlements often rally the support of other potential occupants to strengthen their negotiation power with the land owner.
- 9.1.3 The perception that people in informal settlements are helped first before those on a housing waiting list also fuels the spread of informal settlements.
- 9.1.4 The lack of timeous planning to accommodate population growth.
- 9.1.5 Community ignorance on the intended use of vacant land or open areas earmarked for development within existing settlements.
- 9.1.6 The lack of a co-ordinated approach among spheres of government to release land and/or funding for the planning and servicing of priority areas.

9.1.7 The lack of policy and enforcement by authorities.

Emthanjeni Municipality acknowledges that many of its citizenry stay in informal settlements. It recognises that many of these informal settlements offer shelter to the poor and destitute but that it creates undesirable urban environments due to the lack of services and security of tenure. It is for this reasons that the policy aims to address the following:

- (i) To contain and prevent land invasion and the spread of informal settlements
- (ii) To plan for sustainable human settlements through the rapid release of land for development.

9.1 Addressing Land Invasion

9.1.1 The Municipality shall not tolerate the illegal occupation of land within its area of jurisdiction.

9.1.2 All measures available to the municipality shall be exhausted to prohibit the illegal occupation of land.

9.1.3 The Municipality shall apply to court for the eviction of illegal occupants and prosecute those who initiated the process.

9.1.4 Ward councillors, in collaboration with ward committee members shall, as a matter of urgency, report all cases of illegal occupation of land within their wards, whether it is council property or not.

9.1.5 Once a case of illegal occupation of land has been reported by the ward councillor to the Executive Mayor, the administrative procedures outlined in the policy shall be adhered to.

9.1.6 The Municipality shall only recognise illegally occupied land as an existing informal settlement if:

9.1.6.1 The land has been illegally occupied before the adoption date of this policy and an eviction order was not granted by the court.

9.1.6.2 It is a priority identified in the Integrated Development Plan (IDP) of the Municipality.

9.1.6.3 It conforms to the Housing Sector Plan (HSP) and the Spatial Development Framework (SDF) of the Municipality.

9.1.6.4 It will create a habitable sustainable human settlement.

9.1.6.5 It is in the interest of those staying in the area as well as the rest of the community to be upgraded.

9.1.6.6 It conforms to the general principles outlined in the policy.

9.2 Addressing Existing Informal Settlements

The Municipality will only recognise informal settlements that existed in its municipal area before the adoption of this policy or where the court did not grant a court interdict for eviction of illegal occupants.

9.2.1 Council will only consider *in-situ* upgrading of an existing informal settlement if:

9.2.1.1 It is recognised as an existing informal settlement.

9.2.1.2 It is a priority identified in the Integrated Development Plan (IDP) of the Municipality.

9.2.1.3 It conforms to the Housing Sector Plan and the Spatial Development Framework (SDF) of the Municipality.

9.2.1.4 It will create habitable sustainable human settlements.

9.2.1.5 It is in the interest of those staying in the area as well as the rest of the community.

9.2.1.6 It conforms to the general principles outlined in the policy.

9.2.2 The Municipality will give priority for relocation of residents from an informal settlement if:

9.2.2.1 The settlement does not comply with any of the conditions set out in the above.

9.2.2.2 The health and well-being of people staying in and around the area is adversely affected.

9.2.2.3 The area proves to be too small to accommodate all residents in a sustainable manner.

9.2.2.4 The area proves to be inhabitable.

9.2.2.5 Basic services cannot be rendered in an affordable and efficient manner.

10. POLICY REVIEW

This policy shall be review regularly to ensure that it meets its stated objectives and compiles with legislative changes.